

Published every Saturday by the  
Simmons-Boardman Publishing  
Company, 34 North Crystal Street,  
East Stroudsburg, Pa., with execu-  
tive offices at 30 Church Street,  
New York

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The *Railway Age* is a member of  
the *Associated Business Papers (A.  
B. P.)* and of the *Audit Bureau of  
Circulations (A. B. C.)*.

Subscriptions, including 52 regular  
weekly issues, payable in advance  
and postage free; United States and  
possessions, 1 year, \$6.00, 2 years,  
\$10.00; Canada, including duty, 1  
year, \$8.00, 2 years, \$14.00; foreign  
countries, 1 year, \$8.00, 2 years,  
\$14.00.

Single copies, 25 cents each.

# Railway Age

With which are incorporated the *Railway Review*, the *Railroad Gazette*  
and the *Railway Age-Gazette*. Name Registered U. S. Patent Office

Vol. 93

October 1, 1932

No. 14

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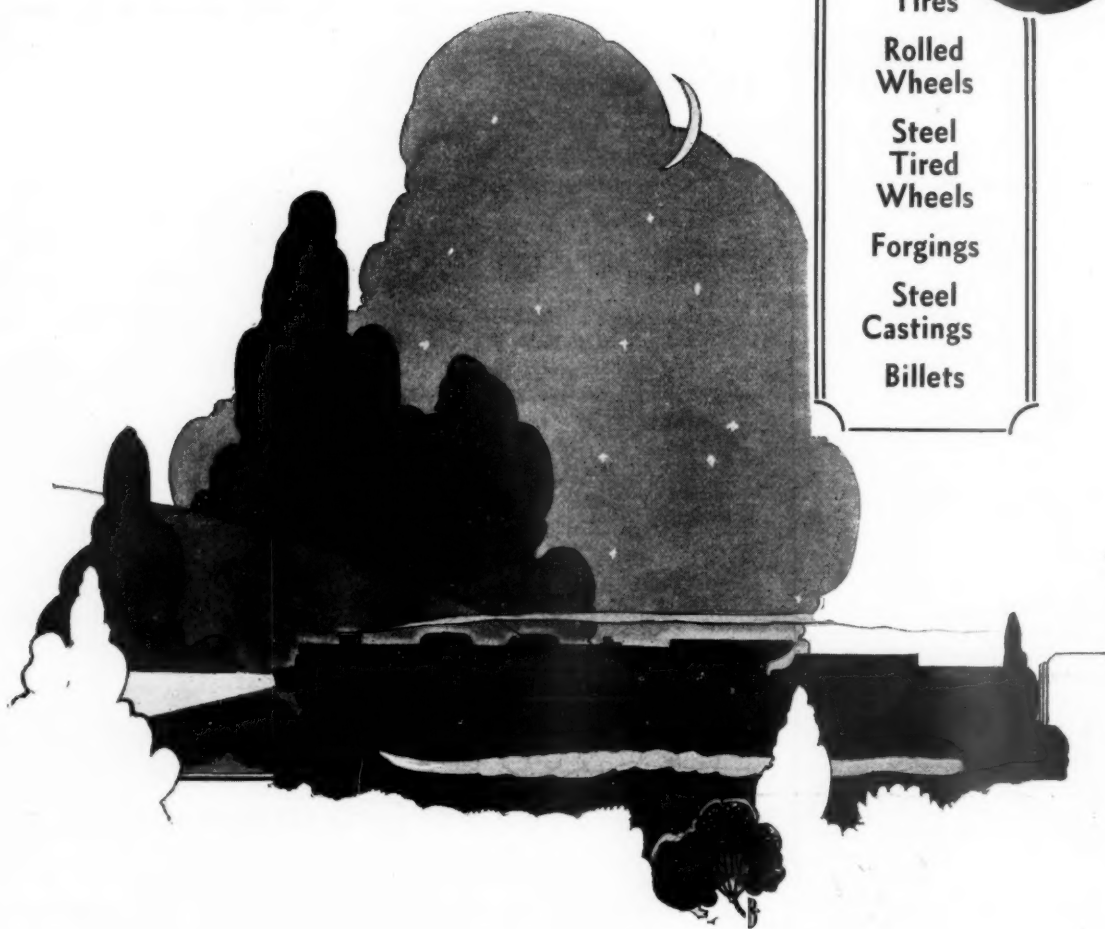
The *Railway Age* is indexed by the *Industrial Arts Index* and also by the  
*Engineering Index Service*

# THROUGH THE NIGHT . . . .

**V**IGILANCE in operation must be independent of the hour—day or night. And vigilance in manufacture should be independent of all factors beyond the manufacturer's control. In making Standard Steel Parts, therefore, we depend on no one but our own trained operators whose vigilance is controlled at every hour in every process from the making of the steel to the final and exact machining of the finished product. It is vigilance that extends far beyond our plant and carries your trains through many days and nights of safe uninterrupted service.



Tires  
Rolled  
Wheels  
Steel  
Tired  
Wheels  
Forgings  
Steel  
Castings  
Billets



## RAILWAY AGE

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# One Way the I. C. C. Could Help

The primary purpose of government regulation of freight rates was, and should be still, to prevent unfair discrimination as between individuals, communities and commodities. When the railways had a virtual monopoly in transportation, regulation of railway rates had the effect of stabilizing general business by removing from it one of the main elements of speculation. Shippers knew what their freight charges would be and, not only that, but also what those of their competitors were. They also had the assurance that rate relationships between various producing areas and principal markets would not be upset overnight.

This security in industry has now largely vanished. It has vanished not because of any relaxation in the regulation of railway rates, but because of the development of other forms of transport, the rates of which are not regulated. The demand for the regulation of railroad rates came not because of the fact that freight moved by railway but because of the fact that transportation charges are a part of the costs of production and because it was socially and economically desirable that these costs be stabilized. It happened to be applied only to the railways since no other form of transportation was sufficiently important to be considered when the legislation was adopted.

No argument can be presented in behalf of the regulation of railway rates which will not apply with equal force to any other form of mass transportation. When railway rate regulation was applied with increasing rigor, it was resisted to the last ditch by interests which ran counter to that of the common good. Big shippers, in particular, able by the volume of their patronage to secure advantages not accorded to their smaller competitors, fought rate regulation to the bitter end—and, by corruption, even beyond the bitter end.

But they were defeated. Now they have again revived and once more are enjoying special privileges over their smaller fellows. Is the American public prepared now to concede that its bitter fight of several decades ago was a mistake and that all varieties of

discrimination and a reign of tooth and claw in transportation is, after all, an acceptable public policy?

### Marketing Demoralized by Trucks

We do not believe that the public is prepared to make this concession. Already shippers of numerous commodities in all parts of the country are complaining because their prices and markets are being demoralized owing to the fact that operators of trucks do not publish their rates and practice every form of discrimination between shippers and communities in making them, and, in consequence, shippers cannot tell what prices to charge for their commodities because they do not know what rates are being paid by their competitors who ship by truck. Paul V. Scheunemann, traffic manager of the Monarch Elevator Company, in an address at St. Paul on September 16, on the occasion of the organization of the Minnesota Ship-By-Rail Association, said that the truck operator is demoralizing the marketing of agricultural and other products and creating an intolerable condition for the general merchandising of goods throughout the northwest. E. A. Flemming, chief of the Division of Markets of the Ohio State Department of Agriculture, has issued a bulletin in which he has said: "Every large produce market in the country is passing through periods of demoralizing prices due to unregulated motor truck transportation. \* \* \* Ohio's produce markets are in the most demoralized condition they have ever been, and that condition will grow worse in place of better unless supplies can be regulated in a more orderly manner than at present, and this cannot be accomplished unless reasonable and equitable restrictions are placed on our unregulated system of motor truck transportation." Shippers of a number of commodities have agreed to call a truce and ship only by rail to the end that, knowing each other's transport costs, competition among them may be fairer and less destructive. Operators of other agencies of transport who have bitterly fought any form of regulation may change



their tune when they find that only by accepting such regulation can they secure the patronage of shippers who find it to their advantage to patronize regulated transport agencies exclusively.

But in spite of some progress away from current transport chaos, there still remains a vast amount of discrimination as to individuals, commodities and localities—which discrimination is in no way minimized by the regulation of railway rates. To continue to regulate railway rates in situations where such discrimination exists because of the presence of unregulated competitors disadvantages the railways and contributes nothing to the public welfare. Conceding fully the social and economic advantages of railway rate regulation where it prevents discrimination, we raise the question of what justice there is in such regulation where it is powerless to prevent discrimination.

#### **Competitive Transportation Here and in Canada**

The enforcement by the Interstate Commerce Commission, which is not obligatory upon it, of the "long and short haul" clause of the Interstate Commerce Act, does not serve to give rates to inter-mountain territory relatively as low as those to the Pacific coast, because low rates are made by water to the Pacific coast, and consequently there is discrimination against the inter-mountain territory in spite of the fact that railroad rates are non-discriminatory. The traffic moves to the coast by unregulated water transport and discrimination against inter-mountain territory results which is beyond power of correction by the commission. But does the commission view this situation realistically, as it is permitted by law to do, and allow the railways, insofar as they are able, to meet Pacific coast all-water rates? It does not. Instead it keeps its strangle hold on the railroads to their detriment and to the advantage of no shipper or receiver of freight whatever.

The Board of Railway Commissioners of Canada orders its affairs more reasonably. While enforcing whole-heartedly a policy of non-discrimination in railroad rate making where such a policy can actually prevent discrimination, it is honest enough and fair enough not to pretend to prevent discrimination in situations where, because of unregulated competition, it is powerless to prevent it. An instance recently came to our notice of a commodity which is laid down all-rail in Montreal from Vancouver at a rate which is approximately the same as that levied for its transport from Vancouver to Calgary. Is Calgary disadvantaged by this rate situation? Obviously not. If the low rate to Montreal were not made, the shipment would move all-water to Montreal. The railways would lose the revenue and Calgary's rate would remain the same. The discrimination against Calgary, if it may be called such, arises from the lack of regulation of water transport between Vancouver and Montreal and not from any act of the railway rate-making authorities. The consignee in Montreal would

enjoy the low rate regardless of the method of transport used. The policy of the Canadian Commission is simply to recognize facts when it sees them and not, as our commission does, to the detriment of railway revenues, to shadow-box at a situation with which it is powerless to cope.

#### **Commission's Policy Promotes Discrimination**

The attitude of the Interstate Commerce Commission, as a matter of fact, fosters the very rate discrimination as between individuals and territories which it pretends to prevent. To the extent that it refuses to permit the railways to meet the competition of other forms of transport where they exist, without making similar adjustments where such competition does not exist, the commission fosters the development of those forms of transport over the rates of which it has no control to the disadvantage of the railways over the rates of which its authority is complete.

The agitation for inland waterways in the middle west owes its present strength very largely to the refusal of the commission to permit roads connecting that region with the Pacific coast to make rates which would place it on a parity with producing areas on the eastern seaboard which could and do use the Panama canal.

It is true that the commission has made some concessions to the railways, allowing them to make some rates to meet unregulated competition without applying them where competition does not exist. Such instances are few, however, and action has been tardy—whereas forehandedness is required. It is much easier to hold business by making necessary concessions before the traffic is lost than it is to regain it once it has deserted the rails.

We believe that the orderly conduct of industry in general needs freight rate regulation to prevent discrimination now just as much as it did a decade, or two or three decades ago. Industry needs this regulation for all of its rates and not merely for those commodities which happen to be shipped by rail. Eventually, we believe, such regulation must come. But it takes time and it takes education and it takes legislation to bring this about. In the meantime, during this period of adjustment the railways are bound to suffer and suffer severely, if the commission adheres to its policy. With a little observation and intelligence it could change all this overnight. Without in any way fostering discrimination in rates, it could at least recognize where such discrimination exists beyond its control and permit the railways, pending regulation of their competitors, to meet this situation whenever and as they find it. To follow such a policy would retain traffic to a regulated agency of transport instead of further encouraging its desertion to unregulated agencies, during the period while the American people are learning that it is regulation of transportation and not merely regulation of the railroads which ordered economy requires.



## A Good Job by the Passenger Departments

During the recent summer months the passenger departments of many of the railways did a piece of work the benefits of which will long be felt. This job has been the successful operation of week-end and other excursions. Never before have the railways as a whole labored more diligently to develop this type of traffic. With resource and ingenuity, and with telling persistence, the passenger departments week after week have devised and merchandised excursions to points of interest on their lines, with results which have spoken for themselves.

Possibly some of the excursions were unsuccessful from a financial standpoint. On the other hand, many attracted thousands of passengers, so that in the aggregate the excursions must have paid for themselves and more, adding respectable sums to the passenger revenues of the different lines.

Entirely aside from the monetary gains brought about by the operation of these excursions, they have been highly beneficial from another standpoint. Unquestionably, they have done more than anything else ever attempted by the railways to bring about a return of the habit of travel by rail—a habit of which the public seemed successfully to be breaking itself during the rise of popularity of automobile and bus travel. People who had not been on passenger trains for years, or who had never been on passenger trains, have re-learned or learned for the first time what train travel actually feels like. They have learned where to go for tickets and travel information and they have learned where to go to take their trains. That they have been satisfied with what they have found in the way of railway service is indicated by the reports of the numbers of "repeaters" among the excursionists.

Perhaps it is too much to expect that the railways will return to the ascendancy as the most popular means of travel for other than a local nature. But certainly the railways have a better chance now of bringing about a revival of their popularity among passengers than they had at the beginning of the summer. The fact that the railways have brought about the first introduction of thousands of passengers to travel by rail is important. The fact that they have identified themselves and the location of their ticket offices and passenger terminals is important. Also im-

portant is the fact that they have produced a type of passenger transportation which has satisfied their patrons. It will be unusual indeed if the railways do not reap substantial rewards in the form of sales of ordinary passenger tickets from the excursions which they have run during recent months. The passenger departments deserve the warmest praise for their successful promotion of this campaign of education of the public to the attraction of travel by rail.

## Robertson Program Sound

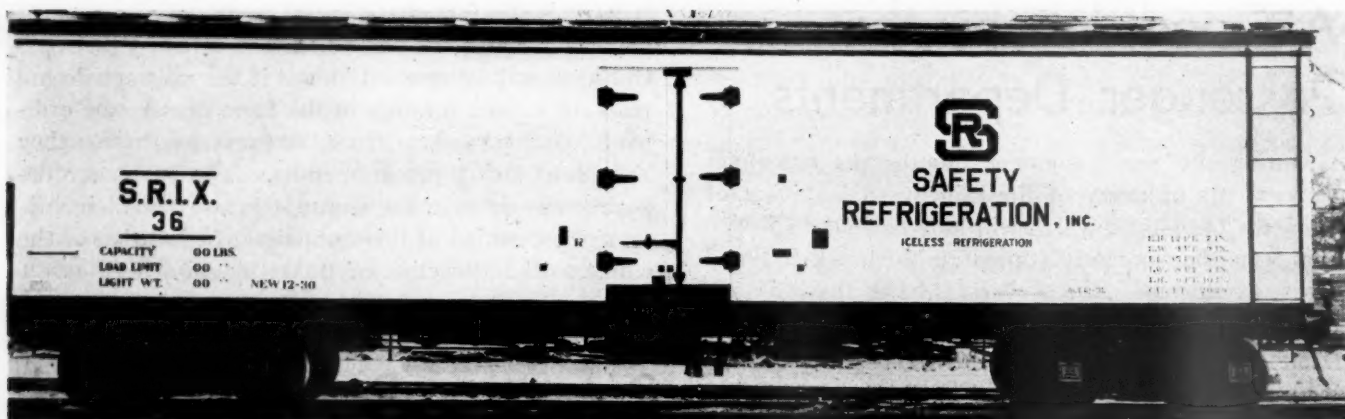
There is nothing of the ballyhoo about the activities and program of the National Committee on Industrial Rehabilitation, whose chairman is A. W. Robertson of the Westinghouse Electric & Manufacturing Company. Numerous indications point to the fact that business is slowly headed upward and toward more normal conditions. Many industrial organizations found under peak load conditions a few years ago that certain of their facilities were inadequate and should be replaced. It was impracticable to do this at that time, because of the danger of cutting down production, and the improvements were therefore postponed until the load would be lighter.

Some few companies saw the wisdom of starting to work on such improvements while the depression was at its depth. Mr. Robertson's committee is pointing out that improvements can now be made promptly at comparatively low unit costs, whereas, if they are much longer delayed the costs will be higher, difficulty may be found in making the improvements promptly, and production may even have assumed such proportions that output will be seriously handicapped if it is attempted to make some of these changes when the plant is running at or near capacity. Such programs, if adopted by those manufacturers whose credit will enable them to do so, should be a considerable factor in stimulating the recovery of business and getting many of the unemployed back to work before the winter season. The appeal is being made primarily to those organizations whose credit is such that they can finance the improvements. Special efforts are also being made to secure the co-operation of local bankers in the financing of self-liquidating plant improvements. The names of the chairmen of the federal reserve district committees and of the sub-chairmen in the various communities guarantee that the work will be soundly promoted.

Not long since, a motorist who makes 100,000 miles a year all over the country, wrote to the editor protesting against the delays in traffic which trucks cause in hilly sections. Every motorist also knows that to be a fact. These big vehicles will go thumping so fast over level stretches that to pass them means violation of both law and common sense and then when a bit of a hill appears, the big trucks drag down to a snail's pace and drag the cars behind for a quarter to a mile long and for some minutes to a quarter and half an hour.

It was not so long ago that the "hearse driver" was ruled off the road on the ground that he was a menace. At certain times now, these slow drivers are yanked out of line by the Highway Patrol in order to speed traffic. If that is good practice with respect to one type of vehicle, it is good for another.

—From the Harrisburg (Pa.) Patriot



One of the Fleet of 86 Iceless Refrigerator Cars  
Now Operated by Safety Refrigeration, Inc.

## Mechanically Refrigerated Railroad Freight Cars\*

Over 100,000,000 lb. of perishables of all kinds handled in three years  
with only one-thirtieth of a per cent of loss

By Horace M. Wigney

Vice-President and General Manager, Safety Refrigeration, Inc., Chicago

**T**HE first practical, mechanically refrigerated railroad car which proved to be a real commercial success was introduced to the world in Baltimore, Md., in 1925 by the Safety Car Heating and Lighting Company. This car is what is known as the "Safety automatic iceless refrigerator and heater car." It is equipped with Silica Gel adsorption system of refrigeration, and Safety automatic heating devices. The temperature in the car is automatically controlled by a thermostat which is located in the center of the car at the top. (Mr. Wigney here described in some detail the Silica Gel iceless car, the general construction and operation of which were explained in an article beginning on page 921 of the *Railway Age* issue of April 19, 1930.—EDITOR.)

### Safety Diesel Compression-Type Car

The Safety compression-type car, which has proved to be a complete success, was introduced in 1930 and, after much experimental work, went into regular service early in 1931. This equipment consists of a two-cylinder compressor, which is driven by a Diesel engine. The complete apparatus is contained in a steel compartment at one end of the car very similar to the Silica Gel car, separate from the insulated car body in which the lading is placed.

The equipment is operated by a Diesel engine, which is secured to the car by a special mounting, in which the securing bolts are held in rubber bushings so that shocks to which the apparatus might be subjected by railway service are to a large extent eliminated. The

same kind of mounting is used to secure the compressor.

The compressor is a two-cylinder machine operating at approximately 400 r.p.m. and has a capacity of approximately one ton (288,000 B.t.u. in 24 hr.). The refrigerant is methyl-chloride.

The engine is connected to the compressor by means of a belt drive. A friction clutch is placed between the engine shaft and the belt driving pulley, so that the engine may be disengaged from the compressor and run free while the compressor does not operate.

The evaporator for cooling the car consists of a series of pipes secured to the ceiling of the car and provided with drip pans to catch any drips from the evaporator. The evaporator is of the flooded type, the liquid refrigerant, as it is compressed and condensed, being returned to the evaporator high-side float valve.

The condenser, which is made up of tubing with an extended surface (finned tubing) is placed on the side wall of the car in the apparatus compartment. A fan is attached to the crank shaft of the engine, and this fan draws air through the condenser by means of the housing, and discharges the air through an opening in the floor of the compartment. A shutter device is provided between the condenser and the fan, this shutter being automatically closed when the compressor is not operating, so that the amount of air moved by the fan will be only enough to supply cooling to the jacket water of the engine, resulting in a saving of engine power.

The coils for cooling the jacket water are placed in the same space as the condenser, and are cooled by the operation of the same fan.

\* Abstract of a paper which was read at the Sixth International Congress of Refrigeration held in Buenos Aires, August, 1932.



Fuel is carried in a tank under the car which will hold approximately one hundred gallons. The fuel is fed to the engine by gravity from the gravity tank, pneumatic pressure being used to force the fuel from the storage tank under the car to the gravity feed tank.

The car is provided with heating pipes placed on the floor of the car under the floor racks, and when heating is necessary, the jacket water from the engine, instead of going through the cooling coils at the condenser, is by-passed by means of a valve so that it passes through the heating pipes in the car.

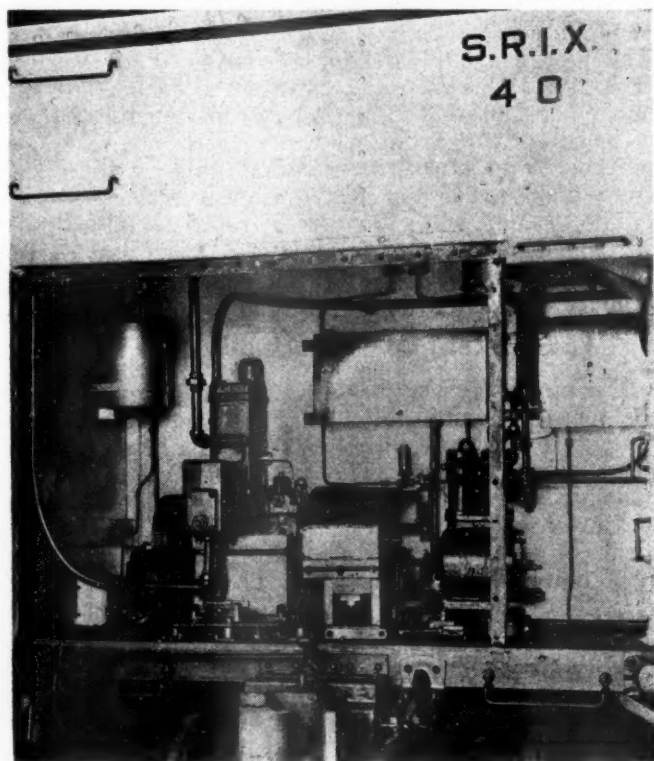
The power for lifting the fuel from the tank under the car and for operating the control devices is obtained from the engine itself; the engine being two-cycle, it is necessary to have scavenging air, which is pumped by the engine itself.

This air has sufficient pressure to operate the various devices, and hence the pneumatic control is obtained without the addition of any apparatus, such as an air compressor.

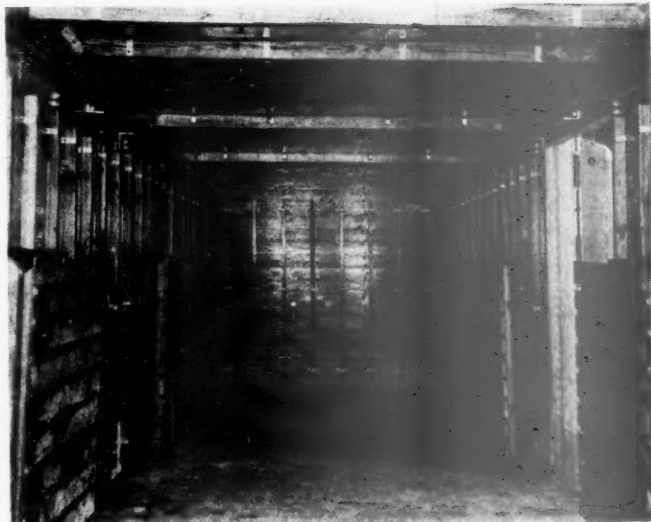
#### How the Compression-Type Car Is Operated

When refrigeration is desired, the engine is started by hand, and, under these conditions, the body of the car is warm and the thermostat in the car operates on the control apparatus in the box so that pressure is supplied to the pneumatic clutch, this clutch is engaged, and the compressor is operated. Operation of the compressor supplies liquid refrigerant to the evaporator, and refrigeration of the body of the car starts and continues until the temperature of the car has been brought down to that at which the controlling thermostat is set.

As soon as this temperature is reached, the operation of the thermostat in connection with the control apparatus, releases the air pressure which has been supplied to the clutch, the clutch disengages, and the engine continues to run while the compressor stops. This condition exists until the temperature of the refrigerated space again rises, when the action is repeated, the clutch is energized and the compressor is operated.



Refrigeration Equipment in the Safety Diesel Compression-Type Car



Interior of Safety Iceless Refrigerator Car Before Loading

The thermostat may be set to maintain any temperature between 10 deg. F. and 55 deg. F.

If protection against cold is desired, heat can be furnished, as mentioned above, by circulating the jacket water from the engine through the car, the engine, of course, being run idle while this action is going on.

When the heating system is to be used, there is an additional thermostat located outside under the car body, and when the outside temperature falls below the temperature which is to be maintained in the car, this outside thermostat operates so that heat may be supplied from the engine jacket by the operation of a valve, which diverts the water from the regular cooling coil to the coils inside the car. While this outside thermostat operates the controls, making it possible for this action to take place, it does not take place, however, until the temperature inside the car actually falls below that which it is decided to maintain. When this happens, heat is supplied and the temperature is maintained at the proper degree by the opening and closing of the valve under the control of the thermostat inside the car.

The fluid which is circulated in the heating system is water with a mixture of suitable non-freeze solution. If the heating arrangement is not required, the apparatus can be furnished without this feature.

#### Safety Protective Service, 1928-1932

After a careful study of the possibilities of a properly-organized refrigerator car line which would operate nothing but mechanically refrigerated cars, Safety Car Heating and Lighting Company of New York, in 1928, formed a subsidiary known as Safety Refrigeration, Inc. This new company, whose principal headquarters are located at Chicago, commenced its operation by first furnishing its cars for the transportation of quick-frozen packaged fish from the Atlantic seaboard to points in the middle west and Pacific coast territory, distances ranging from 1,500 to 3,000 miles. This experiment proved so satisfactory by the spring of 1929 that many additional cars were required for the transportation of various commodities, such as fresh meats, packing-house products, dairy products, fruits and vegetables. Operating agreements were made with many of the leading carriers and, by the spring of 1932, this new type of perishable protective service was established on more than 75,000 miles of railroad in the United States.

Under the car line's standard form of agreement, it furnishes the carrier a complete protective service to shipments of perishables which move over the carrier's



rails in safety cars. The rules and charges governing this service are published by the carriers in the National Perishable Freight Committee's perishable protective tariff. Safety protective service charges, which are carried on the way-bills, are collected by the carriers at destination and paid to the originating carrier, who ultimately turns them over to the car line, the same as in the case of charges for standard refrigeration.

When a shipper desires to move a shipment under Safety protective service, he places his order for a Safety car with the agent of the carrier at the station where he desires to load it. This information is then conveyed to a representative of the car line who immediately places the refrigerating or heating apparatus in operation. After the car has been properly pre-cooled or preheated and loading is completed, the car line's agent makes a final inspection of both the car and the apparatus, to see that everything is functioning properly before the car is permitted to start.

After the car has travelled for some 36 to 40 hr., it passes its first service station where an inspector checks the apparatus and takes a record of the temperature from a recording tape which is located in the apparatus control box. This information is immediately transmitted over the railroad company's wires to the general headquarters at Chicago where a complete record of the car operation for each trip is kept. These service stations are usually located about 36 to 48 hr. apart. In a few instances, they are as close as 24 hr. apart. This arrangement of service stations insures a very careful check of the operation of the apparatus throughout the entire trip.

In addition to these inspection and service stations, there are also located at suitable points throughout the country refilling stations where the proper fuel (according to the type of car) is replenished when necessary. In the case of the Silica Gel car, which uses propane, it is necessary to refill the tanks once in six or seven days during the summer months, and once in 10 to 15 days during the colder weather. The Safety Diesel compression-type car, however, which uses common furnace oil, only requires refilling about once in 30 days even though the engine may be running continuously. Because of the very infrequent necessity of having to stop these cars for refilling, one can readily understand how the carriers are able to save a substantial sum in switching charges, as compared with ice refrigerators which are moved to and from icing platforms almost daily during their loaded movement.

For instance, in the case of an ice-bunker car, the carrier must first place the car at an icing platform for its initial icing, then switch it again to the loading platform, and after loading has been completed, switch it back to the icing platform for re-icing before it leaves on its journey. During the course of its movement, it is necessary to re-ice the car about once every 24 hr., which requires a special switch to and from the ice platform. Then again at destination, if the shipment is held any length of time awaiting disposition, the carrier must switch the car from the track on which it is being held to and from the ice platform for re-icing about every other day. Most of these switches are eliminated in the case of the mechanically-refrigerated car because of the length of time the apparatus will operate on one charge of fuel. Moreover, the fuel tanks may be refilled at destination in emergencies, if necessary, without moving the car.

#### Mechanical vs. Ice Refrigeration

Both the carriers and shippers who have used Safety mechanically refrigerated cars with overhead refrigera-

tion have found that they offer many advantages over cars of the end ice bunker type which use either water ice or dry ice as a refrigerant.

Safety cars have not only substantially reduced operating costs for the carriers but they have materially increased the carriers' revenue by reason of heavier loads. The shipper has profited to the extent of better protective service at very little more than he has heretofore been paying for ice refrigeration which has in many cases resulted in higher prices for the products he has handled in Safety cars.

For example, in the mechanically refrigerated car, the space required for housing the complete refrigerating and heating apparatus is equivalent to that of only one ice bunker; therefore, there is added to the pay-load space about 150 cu. ft. In addition to this increase, a shipper may load the car to within a few inches of the evaporator pipes which extend longitudinally along the ceiling, whereas in the ice refrigerator the height of load is limited because of the amount of space required above the lading for air circulation. In the Safety iceless car, the load is more evenly and thoroughly refrigerated because of the cold air which circulates downward and envelopes the entire load at once.

In order to illustrate more clearly the value of this point, the following citation will perhaps be interesting.

Safety iceless cars have transported, during the past two seasons, several hundred carloads of fresh pears distances greater than 3,000 miles from the producing territory. The maximum load which it is possible to refrigerate properly in a standard 40-ft. ice-bunker car is 511 boxes of 51 lb. each, or 43,605 lb. Some loads run as high as 1,022 boxes, or 52,122 lb., which is equal to two of the maximum carloads which may safely be handled under ice refrigeration in an ice-bunker car.

There is a difference in the dead weight of these two cars of about three tons, but both cars weigh about the same when the average amount of ice carried in the bunkers of the ice refrigerator is taken into consideration; notwithstanding this difference, however, the carriers actually earn a net profit of \$303 per trip more by handling pears in Safety cars than in ice refrigerators. This represents an increased revenue of 67 per cent for each trip. One-thousand carloads so handled would amount to \$303,000. The same proportionate increase is possible with respect to shipments of cherries, peaches, plums, quick-frozen packaged meats, fresh beef and pork products and many other perishables.

The advantages the Safety car offers to the shipper are equally important, due to the reduced cost of refrigeration per package and the improved quality of products shipped, owing to the controlled temperatures.

#### Record of Perishables Handled in Three Years

During the past three years ended June 30, 1932, there has been transported in Safety mechanically refrigerated cars more than 100,000,000 lb. of perishables of every description. The value of these shipments amounted to over \$30,000,000, and the total losses from all causes amounted to less than \$10,000. The average distance over which each shipment travelled was about 1,800 miles. Many of them travelled distances as great as 3,500 miles, and a number of them were held in the cars awaiting disposition at intermediate hold points, or at destination, under perfect refrigeration for as long as 24 to 30 days before being marketed or stored.

There are now 86 Safety iceless cars being operated by Safety Refrigeration, Inc., throughout the United States, and it is expected that 50 to 100 additional of the Safety Diesel compression-type cars will be built and placed in service during the next few months.

# Reforms in Railway Regulation Recommended

Committee report urges less restriction and restoration  
of responsibility to managements

WASHINGTON, D. C.

**H**ANDING back to railway managements of a large part of the responsibility of which they have gradually been divested by law and regulations is recommended by a Special Committee on Railroads of the Chamber of Commerce of the United States submitted to the board of directors of the chamber at its meeting on September 23 and ordered by the board to be submitted to a referendum of the membership. The committee has recommended an extensive program of changes in transportation policies declared to be needed to "put the railroads on a sound basis such that they will be able to maintain their credit, protect their workers, and continue to render the needed service to the public in good and bad times."

This, the committee finds, "largely involves getting away from a conception which has grown up during a long period of years that the public interest is served by the most rigid regulation and reliance upon government commissions to assure solvent, efficient, and economical railroad service." A first step in restoring proper responsibility and opportunity to railway managements, it says, should be through the adoption of new and simplified federal legislation in place of the present complicated and restrictive laws governing rate-making and valuation.

Shippers and consumers are found to have an interest in these reforms equally with the railroads and millions of the general public who directly or indirectly have a share in railroad securities "for such reforms are the key to maintained credit, progressively improved service, and the lowest practicable rates."

"The fact of the matter," the report states, "is that wise, economical and efficient management is not advanced but hindered by a rigid regulation. The wisest, most economical and efficient management, with railroads as well as other business organizations, is where the responsibility for the operation and the earnings of a property rest upon the management, whose responsibility may not be shifted to some regulating commission."

## Adaptation to New Conditions Needed

Specifically, the committee proposes the stabilization of railroad credit by allowing the carriers greater flexibility in earnings according to business conditions, a revision of the rule of rate-making and repeal of the recapture clause of the Interstate Commerce Act, simplification of regulation and elimination of unnecessary interference with railroad management, and the adoption of measures which will enable the railroads to adapt their organizations and operations to economic conditions and give them fair opportunity to meet the competition of other forms of transportation.

The report was formulated by a committee of twelve outstanding business leaders, including shippers, industrialists, bankers and railroad executives. Judge F. C. Dillard, Sherman, Texas, is the chairman.

In advocating changes in the Transportation Act,

1920, the committee points out that the policies laid down by the act have not been realized. "The fair return on valuation contemplated by the act," the committee says, "was never earned and few railroads have been in a position to accumulate adequate reserves. The recapture clause of the act failed in its purpose to provide reserve funds for emergency assistance to the carriers. The consolidation of railroads, intended to assist in bringing the whole system to a more generally stable financial condition, has been greatly delayed. Furthermore, new problems have arisen due to increased competition from other forms of transportation. As a result of these conditions, the railways were generally not prepared to meet the present business depression."

## Confidence in Railroad Future

"The seriousness of the situation does not, however, appear to have been fully recognized prior to 1930. The position taken by the regulatory authorities in a number of important rate decisions and the attitude of the public toward railroad securities indicated a large degree of confidence in both the immediate and the long time future of the railroad industry. The carriers, themselves, by increasing their investment also showed that they expected increasing opportunity to share in the general future prosperity of the country. We believe that confidence in the railroad future is justified but that a different attitude toward many problems of the carriers is essential.

"Subsequent to 1921 and prior to 1930 railroad earnings had shown some improvement and many doubtless hoped that, with continuation of active business, the net operating income for the carriers as a whole would soon reach the 5¾ per cent adjudged by the commission as a fair return under the Transportation Act. It now seems clear, however, that we cannot in the near future expect restoration of such high traffic levels as obtained immediately prior to 1930 and the fact remains that in no year since adoption of the transportation act has the net operating income reached the fair return.

"In the fall of 1930, paralleling the oncoming of the world-wide depression and the recognition of its severity, there was a rapid realization that the railroads had not been put in condition to meet a serious business depression. This was in spite of the fact that, as pointed out in the 1930 annual report of the Interstate Commerce Commission, the capitalization of the railroads in recent years had not kept pace with their investment, and the relation of their net income, after interest charges and all taxes, to their capital stock was never better in their history than it was in 1929.

"That railway earnings have not been adequate or constant enough to maintain the railroad systems in health and vigor as contemplated by the Transportation Act is clearly shown by the fact that, in a period of declining prices when shippers of many commodities keenly feel the need for lower rates, the carriers found themselves by June, 1931, compelled to ask for an increase



in rates (granted in small part by the commission) and that they have also had to borrow money from the government to meet fixed obligations and other necessary expenditures."

In the opinion of the committee, "consolidation will doubtless be of assistance in promoting financial stability of the carriers, but the fact remains that some of the larger systems, already well advanced on their consolidation programs, have had to have recourse to the government for funds to meet their obligations in the present emergency. Adequate financial stabilization of railroads thus requires other measures in addition to consolidation."

The committee expresses the belief that proper financial stabilization of railroads, like other industrial operations, requires that they should have freedom of opportunity to make earnings in accordance with business conditions, reduce their fixed indebtedness and establish adequate reserves. To this end, the committee suggests that it should be the objective of national transportation policies to permit and encourage reduction of fixed indebtedness of railroads during more prosperous times and thus render unnecessary in future such extensive borrowings as have been essential and entirely justified in the present emergency.

Summing up its conclusions with regard to changes in the rule of rate-making (Section 15a), retroactive repeal of the recapture clause and reduction of the valuation work, the committee recommends:

#### **New Rate-Making Rule Proposed**

"Section 15a of the Interstate Commerce Act should be changed to provide simply that the Interstate Commerce Commission in the exercise of its power to prescribe just and reasonable rates, shall give due consideration among other factors, to the effect of rates on the movement of traffic; to the need in the public interest of adequate and efficient railway transportation service at the lowest possible cost consistent with the furnishing of such service; and to the need of revenue that will yield a reasonable average return upon the property devoted to the public service and that will thus enable the carriers, under honest, economical and efficient management, to provide such service.

"Existing liabilities of railroads under the recapture clause should be cancelled and moneys already paid in thereunder, including the proceeds of investment thereof, should be reimbursed to the respective carriers.

"Section 19a should be changed to provide that, after completion of the original valuations, the commission shall be relieved of the duty of bringing them down to date through such elaborate procedure and in such detail as was required in the original valuations, but shall keep itself informed as to changes in railroad plant and may secure other information affecting valuations as it may deem necessary."

#### **Railroad Credit**

Under the head of "Stabilization of Railroad Credit" the report says in part:

"Viewing the Class I railroads as a whole it is obvious that current earnings are insufficient to preserve solvency. For 1931 net income was only \$134,762,000 after meeting interest charges and rentals of \$696,463,000. For the first six months of 1932 there was a net deficit of \$127,384,000 after charges and rentals. A forecast for the entire year 1932 is that this deficit will reach at least \$200,000,000."

"Applications from railroads for loans from the Reconstruction Finance Corporation are passed upon by the Interstate Commerce Commission. Up to September 12 the corporation had received applications from

railroads totaling approximately \$467,000,000. Loans of \$313,000,000 had been recommended by the commission. The commission had recommended denial of applications of 15 railroads for amounts totaling \$11,000,000. New applications pending totaled \$17,000,000. The remaining \$126,000,000 represents the difference between the amounts applied for and those allowed to date, it being understood that a portion or all of the amounts remaining ungranted on the several applications may in some cases subsequently be authorized.

"The loans of the Railroad Credit Corporation are granted only to meet fixed interest obligations, but those from the Reconstruction Finance Corporation have been made for a variety of purposes as follows: Interest on and maturities of bonds and equipment trusts, maturing bank loans, funds to meet operating deficits and certain requirements for new capital expenditures. Taking account of prospective demands for these purposes and assuming that there will not be excessive drains in other directions, it appears probable that the funds available to the Reconstruction Finance Corporation together with those of the Railroad Credit Corporation, will be ample to meet the reasonable requirements of the railroads. A serious difficulty, however, may develop in regard to the railroads' ability to provide the necessary collateral as security for the loans. Unless there is a substantial improvement in railroad earnings, this matter, while not likely to be critical during the remainder of 1932, should receive careful consideration.

"Despite the excellent record of repayment of previous government loans to railroads it is obvious that recourse to loans from the government in times of depression is undesirable as a means of preventing insolvency of the carriers. It not only involves federal financing at a time when government credit is likely to be under strain from other directions but also places a future burden upon the railroads for discharge of the obligations. One of the obstacles to lower freight rates has been the necessity of the carriers meeting the interest on such government advances and providing for their retirement. It should be the objective of national transportation policies to permit and encourage reduction of the fixed indebtedness of the railroads during more prosperous times and thus render unnecessary in future such extensive borrowings as have been essential and entirely justified in the present emergency.

"Such financial stabilization of railroads can only be achieved through sufficient and continuous earnings. As has been pointed out earnings under the present regulation have not been adequate to produce a reasonable return in prosperous times, much less an accruing surplus for rainy days. It is perfectly sure that every period of depression will have its effect upon transportation and require for safety the same privilege to accumulate reserves as that which is enjoyed by any other industrial operation.

"This does not necessarily mean increased rates, for while able railroad management has in the last twelve years vastly improved its machine and is now day by day lowering its cost of operation, there is still a vast amount to be done in that field of new co-operation upon which the railroads are entering and in the exercise of further economies which may permit rate reductions and yet produce increased earnings.

"A policy of continual refunding must assume that the railroad transportation system will continue to be required to the extent it is now developed. The changing conditions of American economic life point to the probability that the railroad plant will not be extended as in the past. Of course maintenance, improvement and refinement must continue indefinitely. If the argument is correct that material extension of the railroad plant will not be necessary, and if it is correct to assume



that refinements and improvements will be self-liquidating, then there is the greater need for reducing present bonded indebtedness with the maturity of each issue. Reserves should therefore be accumulated for use to pay interest on bonded debt at times when this interest cannot be met out of revenues and to meet such agreed proportion of maturing bonds as may establish and carry out the principle of reducing the funded debt.

"Responsibility for setting up reserves should be with management and not with the Interstate Commerce Commission, though the commission must recognize and make possible their establishment. It may be argued that unless there is compulsion of law managements will not readily set up such reserves, but the general policy of legal compulsion would be another invasion of the field of managerial prerogative and against such invasion this committee has taken a definite and unalterable position.

"Reserves permitted to be set up should be controlled by some general policy provision with respect to the manner in which such reserves shall be held. Any reserves that may be tied up in fixed property are useless in times of depression, and in order to make them liquid for the purposes for which they are created they should be invested, in the judgment of the committee—

"1. In government bonds. 2. In sound municipal bonds in the territory in which the road operates. 3. In time deposits in banks. 4. In self-liquidating obligations of each road. The interest on reserve funds should be impounded with the principal.

"The extent to which reserves should be accumulated should represent a proper percentage of bonded debt, and, notwithstanding the possible interference with the sale of stock or the conversion of fixed indebtedness, dividends should be withheld or reduced until some reserve is accumulated.

"While present earnings, of course, do not offer the possibility of any immediate accumulation of reserves, it is reasonable to assume that this condition will not continue upon the return of normal business. It should, as already indicated, be a primary responsibility of the regulating authority to see that there is opportunity for sufficient earnings to assure future maintenance of adequate service, and this requires such earnings as will permit the establishment of adequate reserves in liquid form to tide over periods of business depression."

It is the belief of the committee that while these legislative proposals have as their main object the establishment of sound permanent policies, their adoption also would have beneficial effects in the present emergency. As proof of this, the committee says that the retroactive repeal of recapture would, without any demand upon the federal treasury, relieve the railroads of a total liability as estimated by the Interstate Commerce Commission of about \$360,000,000. The repeal of recapture for the future, the committee further observes, would also favorably affect the financial prospects and credit of many carriers.

#### Hampering Regulation

Under the heading of "Unnecessary and Hampering Regulation," the report devotes considerable attention to certain features of present railroad regulation "which appear to hamper managements unnecessarily, limit their opportunity to improve efficiency and impose unnecessary expense upon the taxpayer."

"The original purposes of railroad regulation," the committee says, "were to see that railroad rates should be reasonable and that railroad service as well as rates should be non-discriminatory. To the original simple regulation has gradually been added a multiplicity of requirements, partly by law and partly by regulation.

Some of these are desirable and should be retained in the public interest. Many, however, were added on account of a former monopoly character of the railroads which has since disappeared due to competition from other forms of transportation. Other features of the added regulation are believed to have been unnecessary in the first place and not to have contributed to the public well-being.

"The total cost of regulation has also reached such proportions as to be cause for alarm. While for the 46 years of its existence up to June 30, 1932, the cost of the Interstate Commerce Commission totaled \$125,000,000, that for the past ten years has amounted to \$69,000,000, or an average of approximately \$7,000,000 a year. The total cost of all state commissions regulating public utility companies as well as railroads averaged \$6,000,000 during the years 1923 to 1930."

The recommendation of the committee on this point specified that the time has come for the simplification and economy of regulation both in the interests of efficiency and relief of burden upon the taxpayers; and that authority should be handed back to the railroads to manage their properties except as to matters essential to assure fair rates or public safety.

In discussing the benefits to be gained by permitting and encouraging railroad managements to adapt their organizations and operations to economic requirements the committee points out many accomplishments of the railroads in these directions in the first few years and additional steps which the carriers are taking for economy and improved efficiency. "The railroad industry has largely ceased to be a monopoly," the report adds, "and must retain its position as the principal transportation agency of the country by adapting itself to the conditions as they exist. Railway labor should, in its own interest, recognize these facts and accept the necessary adjustments of wages, rules and working conditions."

Other recommendations of the committee are:

"That railroads should be permitted to engage in transportation on the waterways and highways on an equal basis with other carriers in similar service.

"That government policies affecting transportation should give each competing form of transportation equality of opportunity to perform the service it can render most efficiently and economically.

"That federal and state authorities should allow prompt establishment by railroads of new rates to meet competition of other forms of transportation.

"That the long and short haul clause of the Interstate Commerce Act should be amended so as to place upon the rail carriers the responsibility of determining whether proposed rates are reasonably compensatory.

"That the periods within which claims for reparation must be filed or action to recover undercharges must be initiated should be shortened as recommended by the commission.

"That the law be changed to provide that reparation shall be awarded only in case actual damage is established.

"That the commission be authorized to delegate powers to individual commissioners, with right of appeal to the full commission, and to delegate powers covering matters of a routine character to boards of employees with right of appeal to the commission.

"The committee concurs in the view of the commission as to the desirability of special efforts on the part of the carriers to accommodate rates to existing conditions and recommends that the necessary rate changes to these ends be promptly put into effect."

The committee has given careful consideration to the question as to whether the powers of the commission to suspend rates should be eliminated but says that there

are certain difficulties which, while not insuperable, lead it to refrain from recommending this step at this time. It believes, however, that the time may come when it will be advisable and that efforts should be directed to this end.

Besides Chairman Dillard, the other members of the committee which drafted the report are: C. E. Bockus, president, Clinchfield Coal Company, New York; E. George Butler, secretary-treasurer, John G. Butler Company, Savannah, Ga.; J. S. Crutchfield, president, American Fruit Growers, Pittsburgh; Pierpont V. Davis, vice-president, the National City Company, New York City; Carl P. Dennett, president, General Capital Corporation, Boston; Thomas H. Hanrahan, president, Buffalo Freight Terminal Warehouse Company, Buffalo, N. Y.; Dr. Emory R. Johnson, dean, Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia; E. B. Ober, president, Motor Power Equipment Company, St. Paul; W. L. Petrikin, chairman of the board, the Great Western Sugar Company, Denver; H. A. Scandrett, president, Chicago, Milwaukee, St. Paul & Pacific, Chicago; Harry A. Wheeler, president, Railway Business Association, Chicago; and R. B. White, president, Central Railroad Company of New Jersey, New York City.

## Freight Car Loading

WASHINGTON, D. C.

**A**NOTHER week of improved freight car loading was reported for the week ended September 17, when the total was 587,302 cars, the highest for any week since December 12, 1931. This was an increase of 85,478 cars as compared with the week before, which included a holiday, and it was only 155,312 cars, or less than 21 per cent, under the total for the corresponding week of last year. As compared with 1930 there was a decrease of 365,269 cars. As compared with the holiday week, increases were reported as to all classes of commodities, although grain and grain products showed an increase of only 2 cars. Miscellaneous loading showed an increase of 34,257 cars and l.c.l. merchandise an increase of 27,046 cars. The

summary, as compiled by the Car Service Division of the American Railway Association, follows:

### Revenue Freight Car Loading

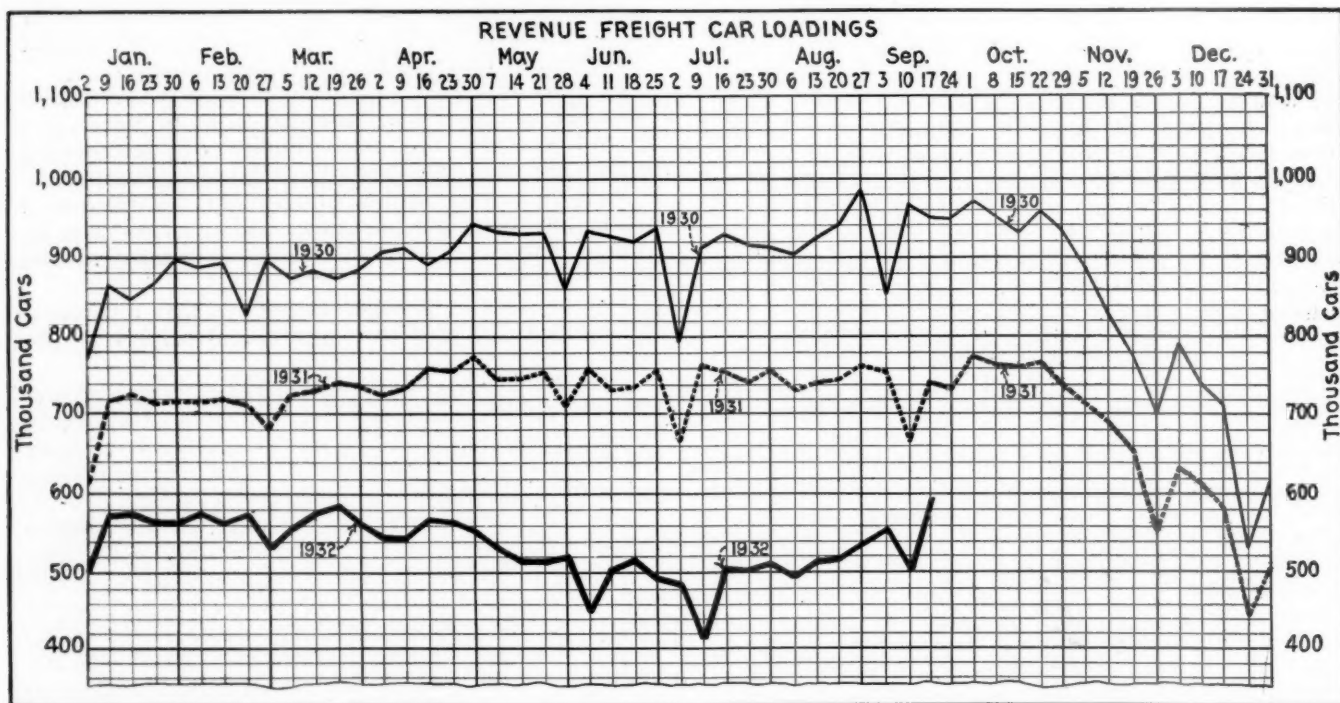
Week Ended Saturday September 17, 1932			
Districts	1932	1931	1930
Eastern	129,512	161,139	210,636
Allegheny	106,502	147,211	188,381
Pocahontas	40,832	48,153	55,661
Southern	87,748	103,175	129,819
Northwestern	74,168	105,387	144,545
Central Western	94,163	116,075	144,619
Southwestern	54,377	61,474	78,900
Total Western Districts	222,708	282,936	368,064
Total All Roads	587,302	742,614	952,561
Commodities			
Grain and Grain Products	35,865	40,190	46,125
Live Stock	21,702	24,906	27,175
Coal	106,790	123,005	153,867
Coke	3,472	4,606	8,176
Forest Products	17,936	26,563	41,496
Ore	6,558	29,855	48,785
Mdse. L.C.L.	177,349	217,912	244,800
Miscellaneous	217,630	274,577	382,137
September 17	587,302	742,614	952,561
September 10	501,824	667,750	965,813
September 3	559,727	759,871	856,649
August 27	537,973	763,551	984,510
August 20	518,642	748,600	940,558
Cumulative total, 37 weeks	19,758,937	27,205,959	33,427,283

The freight car surplus on August 31 was 708,031 cars, a reduction of 34,897 cars as compared with the number on August 14. The total included 376,589 box cars, 261,431 coal cars, 27,899 stock cars, and 13,712 refrigerator cars.

### Car Loading in Canada

For the second week total car loadings in the western division of Canada have exceeded loadings in the eastern division and total loadings for Canada, amounting to 55,527 cars, exceeded the total for the same week last year by 5,300 cars. The holiday on Labor Day affected this comparison, but after adjustment the index number rose from 70.36 to 78.55, as against 75.26 for last year.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada		
September 17, 1932	55,527	17,955
September 10, 1932	44,278	15,832
September 3, 1932	41,521	17,313
September 12, 1931	50,227	20,063
Cumulative Totals for Canada		
September 17, 1932	1,521,433	704,752
September 12, 1931	1,783,915	955,986
September 13, 1930	2,234,675	1,243,076





# Investors Sponsor Railway Study

Ex-President Coolidge, Ex-Governor Smith of New York, B. M.

Baruch, Clark Howell and Alexander Legge accept  
invitation to serve on committee

**A**CCCEPTANCE by Ex-President Calvin Coolidge of an invitation to act as chairman of a committee to study the railroad situation in an endeavor to determine what changes in regulatory legislation and managerial, labor and financial policies are necessary to improve and stabilize the position of the carriers, was announced in New York on September 27 by Walter H. Bennett, president of the Emigrant Industrial Savings Bank of New York. Other members of the committee, who have also agreed to serve, are: Vice-Chairman, Bernard M. Baruch, director of the Baltimore & Ohio; Alfred E. Smith, former governor of New York; Clark Howell, publisher of the Atlanta Constitution; and Alexander Legge, president of the International Harvester Company and former chairman of the Federal Farm Board.

The Railway Business Association is among the 31 sponsors of the committee; others on the list which, the announcement stated, will "presumably be added to" include insurance companies, savings and investment banking association, and universities. The present list follows:

The National Association of Mutual Savings Banks  
Metropolitan Life Insurance Company  
Equitable Life Assurance Society of the U. S.  
New York Life Insurance Company  
The Mutual Life Insurance Company of New York  
Home Life Insurance Company  
Prudential Insurance Company of America  
The Mutual Benefit Life Insurance Company  
Connecticut Mutual Life Insurance Company  
The Phoenix Mutual Life Insurance Company  
Connecticut General Life Insurance Company  
Aetna Life Insurance Company  
John Hancock Mutual Life Insurance Company  
Phoenix Insurance Company  
Hartford Fire Insurance Company  
Hartford Accident and Indemnity Company  
National Fire Insurance Company of Hartford  
Aetna Insurance Company  
Continental Insurance Company  
Fidelity-Phoenix Fire Insurance Company  
American Eagle Fire Insurance Company  
Maryland Insurance Company  
Niagara Fire Insurance Company  
First American Fire Insurance Company  
The Fidelity and Casualty Company of New York  
Harvard University  
Yale University  
Columbia University  
University of Chicago  
Railway Business-Association  
The Investment Bankers Association of America

The letter of invitation to members, "in effect constituting the committee's terms of reference," is as follows:

Hon. Calvin Coolidge,  
Hon. Alfred E. Smith,  
Mr. Bernard M. Baruch,  
Mr. Clark Howell,  
Mr. Alexander Legge.

Gentlemen:

The present financial position of the railroads of the United States is a matter of grave concern. Collectively the greatest and most important industry of our country, the railroads have operated in this year at staggering deficits. Only

wise and timely federal aid has averted the financial breakdown of important systems.

This situation touches every citizen. It affects directly the security of wage employment of the 1,500,000 railway workers. It affects equally the many and important industries supplying railway equipment and supplies. It touches the financial problem of local, state, and national government, to the support of which the railroads contribute over \$300,000,000 annually in taxes. It has given rise to a severe decline in the value of the \$19,500,000,000 of railroad obligations and shares, and has occasioned concern to institutions which hold such obligations among their assets, representing in part the savings of that thrifty portion of our population which is to be found among the policyholders of insurance companies and the depositors in savings banks. The relief that the present emergency has made it necessary to grant to the railroads is a drain on the Federal treasury, and any ultimate loss will constitute a burden on every taxpayer.

The present deplorable position of the railroads is not due wholly to the stagnation of traffic resulting from the long-continued depression. Many of the present ills are due to governmental, financial, labor, and management policies, some wrong in conception, some wrong in application, and others rendered obsolete by radically changed conditions.

There are many disagreements as to causes, many disagreements as to remedies, but unanimous agreement as to the urgent necessity of some thorough-going solution of the problem. No solution, however, will be effective unless the problem of the railroads is considered as an integral part of the entire transportation problem of the United States, whether by rail, highway, waterway, pipeline, or air.

Every industry in the country is entitled to fair treatment—the railroads no less than the others. The public interest must certainly be protected, but regulation should not place the railroads at a hopeless disadvantage with competing agencies and destroy flexibility of operation and management initiative. The railroad workers are entitled to a fair wage and the greatest possible security of employment. The holders of railroad securities are entitled to a fair and stable return on the true value of their investment.

But more important than the interests of any one group, the people of the United States are entitled to the most effective and economical form of transportation to meet their various needs, whether by land, water, or air. Each form of transportation should be unhampered to provide effectively at a reasonable cost and at a fair profit the service for which it is best fitted. No form of transportation should be favored either at the expense of another agency or at the ultimate expense of the people of the United States.

We, the undersigned organizations, representing many of the interests concerned, believe that there is no more important present task than a thorough and satisfactory solution of the railroad problem, as an integral but the most urgent part of the entire transportation problem. We beg that you examine all phases of the problem and recommend a solution which, with due regard for the public interest, will ensure an opportunity for the railroads of this country to operate on a business basis, to the end that there may be a stabilization in employment of wage-earners and in the values of investments made in behalf of insurance policyholders and savings bank depositors, and a general enhancement of the prosperity of the railroads and of the many lines of business which in turn depend upon them.

In making the announcement Mr. Bennett pointed out that the idea behind the formation of the committee had its inception with the National Association of Mutual Savings Banks which recently appointed a committee, headed by Henry Bruere, president of the Bowery Savings Bank of New York, charged with "the responsibility of keeping closely in touch with railroad affairs, particularly with respect to the safe-



guarding of underlying bonds held by mutual savings banks" (see *Railway Age* of September 10, page 372). The idea, Mr. Bennett explained soon spread to other interested institutions and thus the present joint effort was decided upon. The following statement of the sponsoring organizations accompanied the announcement:

The acceptance by the distinguished group of citizens making up this committee constitutes, in the judgment of the organizations which have extended the invitation, perhaps the most important development that has taken place for some years in questions having to do with transportation. It should be understood that the hundreds of thousands of private investors, the savings banks which represent the savings of millions of people, the great life insurance companies and others who join in this appeal for a fresh survey of the situation, are not special pleaders in the sense of asking favors in behalf of railway investments. On the contrary, they realize that the present grave situation of the railways is due at least in part to certain defects which railway management itself should have undertaken to correct. For this reason the committee is asked to make its survey as complete as possible, and to extend its inquiry with the utmost thoroughness into cause and effect throughout the whole field of transportation of which the railroads are only a part—even though the most important single part. Any examination of the country's transportation system must necessarily be conducted with an eye to the interests of the country as a whole; such interests being obviously those of the shipper, of labor and of capital.

The hope is that a careful survey of the transportation industry may serve to point out remedies which, if adopted, will assist in the improvement of general business conditions throughout the country as a whole. The railroads are not only the largest employers of labor in the country, but in addition they constitute the largest single class of purchasers from other industries; so that directly and indirectly any substantial improvement in the status of the railroad carriers should have a stimulating effect of great importance throughout industry as a whole.

The acceptance of the task of survey by the members of the committee is manifestly an act of great public spirit, in line with the services already rendered to their country by these eminent citizens. The very fact that they are willing to undertake the serious work and responsibility involved is a guarantee that the survey will be carried through with intelligence and completeness. And it must be obvious that any conclusions reached by a body enjoying such high repute for fairness and probity will command the instant attention of both the public and the legislative authorities.

## Hoover Wants Wage Question Deferred

WASHINGTON, D. C.

**P**RESIDENT HOOVER'S view that "it might be well agreed" to defer further discussion of a reduction of railway wages until the end of the year has been expressed both to representatives of the railway labor organizations and to leading railway executives, according to a statement issued by the Secretary of Labor, W. N. Doak, on September 26 following a conference on the subject with the President at the White House. The statement referred to "the negotiations that have been in progress between a committee of railway executives and the chief executives of the standard railway labor organizations, relative to further extension of the reduction of the salaries of railway employees" and added:

"In the matter of the railway wage discussions now going on, the President last week expressed the view, both to the representatives of railway labor and to the leading railway presidents who have conferred with him, that he felt that it is desirable that this question should be deferred at the present time. The present

agreement does not expire until February 1, next. The President's view was that it might be well agreed to defer further discussion until the end of the year as the general economic situation would be much clearer at that time, and negotiations could be based on a better realization of the actual circumstances existing."

Even before any official notice has been served the question of a reduction in railway wage rates to be made effective next February, on the expiration of the voluntary agreement for a 10 per cent deduction from the pay checks made last January, has been thrown into the political arena and carried to the White House, just as similar questions in the past have been promptly taken there in previous administrations for many years. So far as publicity is concerned it was taken to the White House on September 22 by the Railway Labor Executives' Association, with a statement suggesting to the President that "when the government is called upon to lend public money to the railroads, the government can at the same time properly insist that the railroads shall refrain from starting or from joining in any suicidal program to reduce wages and to curtail services and thereby nullify the efforts of the government to promote economic recovery." There were also various rumors afloat, however, that the question had arrived at the White House long before the labor executives did and that word had reached some of the railway executives that it would be unfortunate to have the matter discussed too actively before the election in November. This was offered as one explanation for the calling of another meeting of railway executives to consider the matter in New York on October 6 after the Conference Committee of Managers had decided to propose a 20 per cent reduction in basic rates and had recommended to individual roads that they serve notice on all classes of their employees of the intention to place the reduction in effect on February 1.

The visit of the railway labor executives to the White House was arranged for them by Secretary of Labor Doak after they had informed the Conference Committee of Managers the day before of their opinion that a wage conference at this time would be unwise and that they should neither seek authority to enter upon such conference or encourage any effort to inaugurate wage negotiations so far in advance of the expiration of the present agreement.

The concrete proposal made to the President was that "the government" impose as a condition of loans made by the Reconstruction Finance Corporation to railroads that they shall not "participate in the unsound and destructive policy of reducing wages, breaking down the standards of living and reducing the purchasing power of the wage earners" upon which, the labor leaders said, the prosperity of all essential industries must depend. Because they had been busy with their own meetings for several days they may not have noticed that President Hoover had just informed Governor Pinchot of Pennsylvania that he had no authority to give orders to the Reconstruction Finance Corporation regarding its loan policy. It was also remarked that their statement to the President failed to discuss the amount of loans that the railroads would have to ask from the government to enable them to maintain present wage scales much longer.

President Hoover had not before made public any indication of his attitude toward a railway wage reduction, although he at one time referred with approval to the conferences going on in Chicago in January looking toward the voluntary agreement that was afterward

(Continued on page 470)

# Tracks Removed from Business Streets in Dayton, Ohio

Grade separation project also embodies better station facilities and four tracking of rail artery through the city

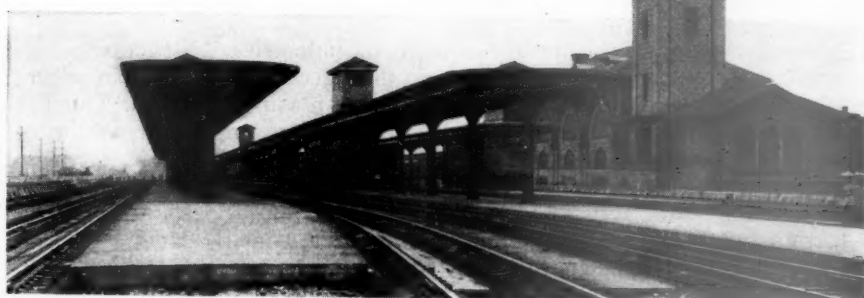
**M**ARKED improvements in railway operating facilities and the removal of a serious barrier to street traffic in the business center of Dayton, Ohio, have been effected by the elimination of grade crossings with eight streets in the distance of about a mile on a line used by all the railways entering the city. The major portion of the work was done under the direction of the Dayton Union Railway, but included in the project was the elevation of an approach line of the Pennsylvania involving the separation of grades at the two streets.

The railway situation at Dayton is decidedly unusual, for, although four railway lines enter the city from the west and five lines from the east, all of these converge into a single route across the heart of the city. Previous to the completion of the present project, this was a double-track line, of which one track was owned by the Baltimore & Ohio and the other by the Pennsylvania, supplemented for the westerly half of the distance by tracks of the Dayton Union Railway Company which provides a union station service for all of the railways entering the city. The stock of this company is owned equally by the Big Four and the two railways named above and the station facilities are used also by the Erie and the Dayton & Union as tenants.

While the grouping of rail routes through the city was effective in obviating an unnecessary cutting up of the city by rail lines, it resulted in concentrating a heavy traffic on a single route which is so located as to cross every important street, both north and south and east and west, in the business center. In view of a normal daily traffic of 66 passenger trains and 100 freight trains, the reason for an agitation for grade separation is not hard to understand.

## Part of a General Plan

The work was undertaken in accordance with an agreement perfected with the city that covers only the present project, but which conforms with a plan for the eventual separation of grades on other lines within the city, concerning which agreements are yet to be made. The work now completed represents an outlay of between  $5\frac{1}{2}$  and 6 million dollars, of which the city pays 35 per cent of all expenditures involved, except those incurred in providing additional railway facilities within the limits of the improvement program. The city's portion of the cost was financed out of the proceeds of a bond issue authorized in 1929 to the amount of \$8,000,000 to cover its share of the complete grade separation program. The elevation of the Pennsylvania



New Elevated Tracks and Platforms and the Old Station Building

approach line, which comes in just west of Third street, was handled as a separate project, entailing an expenditure of \$715,000. This involved reinforced concrete subways at McDonough and Montgomery streets, with a reinforced concrete pedestrian subway at Bainbridge street.

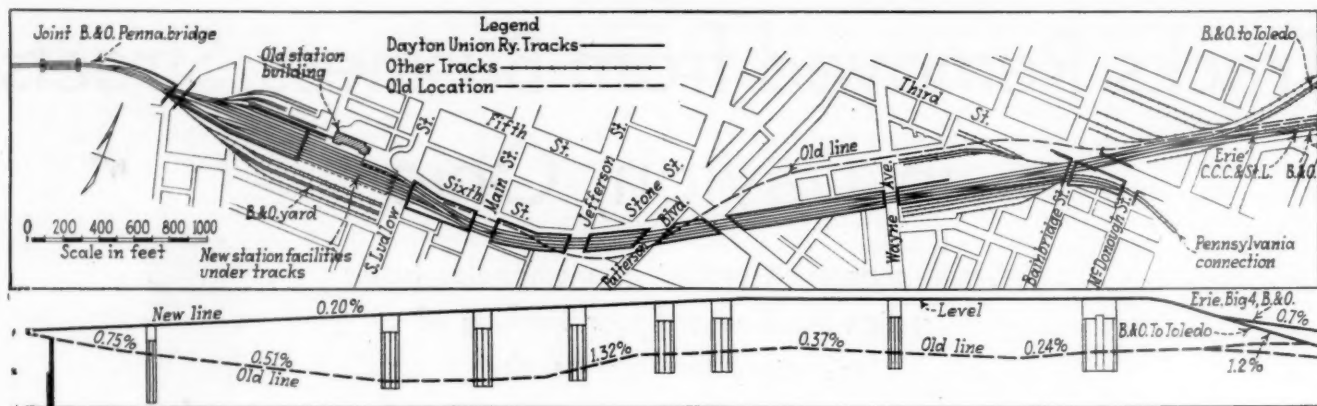
Owing to the fact that the track grade is fixed at the bridge over the Miami river at an elevation about 14 ft. above the ground level of the city streets, the tracks approaching this bridge from the east were on an ascending grade of 0.75 per cent. As a consequence track elevation, with a limited amount of street depression, offered the only feasible method of obtaining the desired separation of grades. As elevated, the tracks are on a 0.2 per cent grade ascending eastward from the bridge for almost half a mile and are level for the remaining distance to the connections with the several railway lines entering from the east which have approach grades ranging to a maximum of 1.2 per cent.

Three distinct improvements in the railway facilities were incorporated in the project. Two additional tracks were added from South Jefferson street to a point 250 ft. east of Third street, thereby providing a four-track line from the east throat of the station layout to the point where the B. & O. Toledo line converges with the other lines entering from the east. In addition the station layout was expanded and improved and the alignment was improved by a relocation between South Main street and Jefferson street that eliminated three curves.

## Better Alinement

The relocation was made possible by legislation enabling the city to dispose of the bed of an abandoned feeder canal (between Fifth and Third streets) forming a part of the Miami and Erie canal system, as minor adjustments of railway alinement to the east and west of the canal made it feasible to incorporate the canal location in a long tangent. The old right of way between Fifth and Third streets was retained by the B.





Map and Profile of the Track Elevation Territory

& O. and the Pennsylvania for service to industries.

Similarly, improvements were made in the street plan. Sixth street was connected with Stone street north of the right-of-way in lieu of a subway for Sixth street which presented obstacles precluding its construction. Fifth street was straightened and Patterson boulevard was extended south across the railway.

Except for a part of the passenger station area, which will be described hereafter, the elevated tracks are supported on an embankment, and as far east as Wayne avenue practically all of the fill is supported on each side by retaining walls. For the most part, the right-of-way is only wide enough to provide the necessary roadbed for the four tracks, and the walls are of full height with their faces on the right-of-way line, although in a few locations an easement was obtained for a toe extension of the footing. The walls are of the semi-mass type with either heel or toe extensions of the footing, or both. From Ludlow street to Fifth street, where the north retaining wall faces on a street, resort was had to considerable ornamental treatment, including paneling and a concrete balustrade. The remaining portion of the north wall and all of the south wall have a plain face and are topped with a pipe railing supported by cast-iron posts with heavy concrete posts at intervals. The faces of retaining walls and abutments were given a rubbed finish with power grinders, followed by a coat of dry cement. Expansion joints in the walls were filled with a  $\frac{3}{8}$ -in. Elastite filler.

The subways have steel superstructures on steel bents and concrete abutments, steel having been adopted in the interest of uniformity because it offered what was believed to be the only practical design for the station

structure, as will be explained later. The streets crossed range in width from 50 ft. for Longworth street to 107 ft. for Third street, and with the exception of these two, there are bents at the center of the street and the curb lines. The Longworth crossing consists of one span and that at Third street which is on a sharp skew has four spans. The vertical headroom in the subways ranges from 14 ft. to 15½ ft. and the street depression varies from 2 ft. to 7 ft. With a sandy and gravelly subsoil, it was possible to place all structures and walls on natural foundations except those that come within the limits of the old canal bed, where precast concrete piles were used.

The spans in all cases consist of longitudinal I-beams covered with a reinforced concrete cast-in-place slab from six to eight inches thick, terminating along each side of the structure in a reinforced concrete fascia girder or parapet that was designed to harmonize with the concrete encasement provided for the outside columns of the bents. No encasement was provided for the interior columns or for any other steel under the structure. The abutments are of mass concrete with temperature reinforcement in the exposed faces. Particular attention was given to drainage, two lines of horizontal drains being installed against the back faces—one about 18 in. below subgrade and the other along the bottom, connected by a riser. The upper line and the riser are 6-in. perforated Armco pipe and the lower one is 6-in. Galion perforated cast-iron pipe.

#### Station Layout Improved

As the old station building, erected in 1900 is an excellent structure, the elevated station layout was de-



The Elevated Tracks Just East of the Station

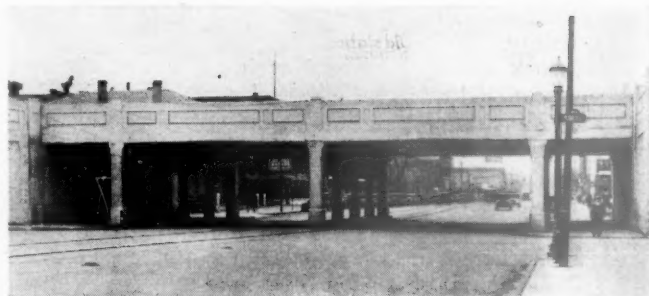


veloped with a view to its continued use. The new layout conforms to the old one at least in form—that of a through station, but with the advantage of two levels for the elimination of passenger and baggage truck movements across the tracks. To make this possible the tracks at the station are supported on a viaduct structure 90 ft. wide for a longitudinal distance of 640 ft. This provides 27,000 sq. ft. of undertrack space for a concourse tributary to the passenger stairways and 40,000 sq. ft. for baggage and mail facilities, with 28,000 sq. ft. available for express facilities. In addition there is a trucking passage 30 ft. wide communicating with two sets of elevators for trucks. A passageway connecting the concourse with the main waiting room of the station assures an effective unification of the new and old station facilities.

The track layout embraces three pairs of through passenger tracks with a platform to each pair; a freight track along the north side and another along the south side; two stub tracks for parking local sleepers, holding seven cars each; and two stub tracks with a driveway for serving carload mail and express business. The latter tracks are on a descending grade that permits direct access from the street level.

### The Track Structure

As the new station tracks occupy the space directly above the old ones, it was necessary to develop a design

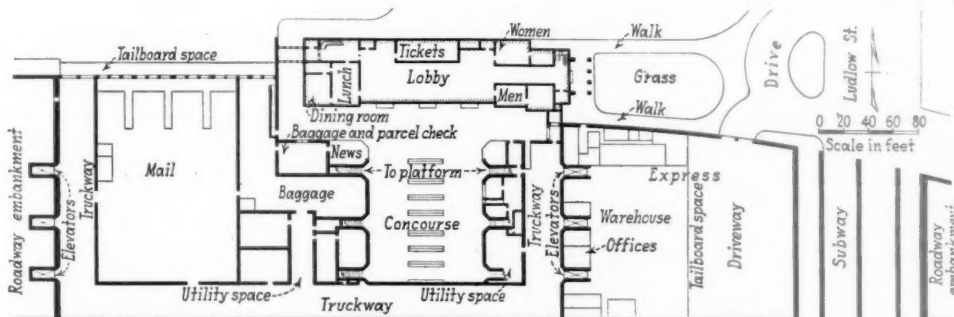


The Underpass for Main Street is Typical of the Construction Employed

The tracks in the grade separation area have been laid with 130-lb. rail with six-hole angle bars on three joint ties. All ties are protected by 8-in. by 14-in. by 1-in. tie plates punched for the use of anchor spikes. All train and engine movements over a distance of about two miles, embracing the junctions of all the lines using the station are controlled by a centralized traffic control type of interlocking plant. The control machine and track diagram are located in a room provided under the station track structure, the machine having 45 levers to control 68 functions and 70 push buttons to operate 72 position-light signals.

All of the filling material other than that obtained

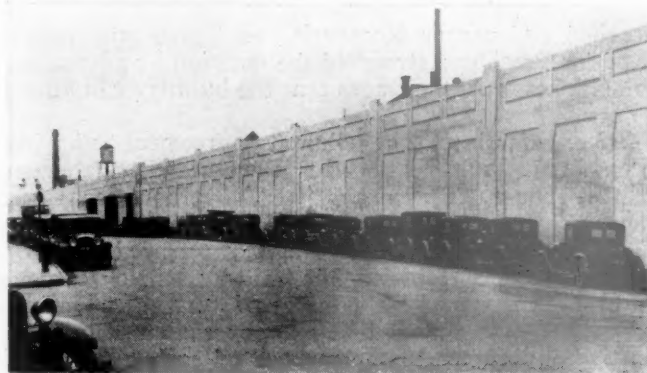
How a 32-Year Old Station Building (Indicated by Hatched Lines) Was Incorporated in the Improvements — Plan of the Facilities at Street Level



that would allow the structure to be erected in units of two tracks and a platform that could be placed in service at once so as to release tracks on the surface for the construction of further units. A structural steel design was adopted as best meeting the requirement. In general, the structure consists of longitudinal girders in the planes of the platform curbs spanning between columns 31 ft. 7½ in. on centers, with transverse beams spanning between these girders to support the concrete floor slab for the tracks. The platform slab, on the other hand, is carried on the curb girders and on intermediate reinforced concrete T-beams spanning between I-beams at the panel points. The passenger tracks in the station area are of the embedded tie-block design commonly used in important stations to obtain the greater cleanliness and sanitation possible by the elimination of ballast.

Each of the platforms is covered with a butterfly shed of rather unusual type. It has a structural steel frame supported on columns at 30 ft. centers, by means of 15-in. channel purlins and is covered with precast concrete roof and coping tile, on which a built-up roof is superimposed, except for the face and top of the coping which are covered with a spray coat of metallic lead about 1/64 in. thick. A distinctive feature of these sheds is the manner of treating the ends, the purlins and copings on the two sides being united by a semi-circular curve as shown in the photograph.

from the excavation of foundations was delivered to the site in motor trucks from a sand and gravel operation about four miles south of the work, at a cost of 53 cents per cu. yd. in place. This was a sandy, gravelly material that was readily compacted in place under the wheels of the trucks and developed little subsequent settlement. The loads averaged four cubic yards and were hauled at a rate of about 40 min. per round trip. As much as 2,000 cu. yd. was delivered in a day. This method of delivery proved most advantageous. It obviated the construction of filling trestles and the use of tracks by grading trains, and permitted a wide lati-



Typical Paneling of the North Retaining Wall

tude in the scheduling of deliveries, both as to location and quantity.

The work was started in March, 1930, and the first train was moved over the elevated structure on December 15, 1930, while operation on the street level was entirely abandoned on September 30, 1931, and work was completed early this year. The construction was handled in two sections—the embankment, abutments and undercrossing superstructures for the two south tracks being constructed first, while leaving ample space for operation over two tracks on the surface.

In connection with this stage of the work all of the Wayne avenue underpass and all of the grading on the new alinement over the canal bed were completed, except that a gap was left just west of Third street to permit of a continued surface connection for the Pennsylvania. This stage having been completed, the trains of the Pennsylvania, which had constructed a trestle for its runoff from the track elevation, were brought in on the upper level on a one-track trestle approach. Thereafter the gap in the embankment west of Third street was closed and the trains of the other lines approaching from the east were transferred progressively to the elevation. This change, however, had to be timed with the progress on the station track structure, since no more passenger trains could be brought in over the elevation than could be accommodated on the elevated tracks available at the station. The north side of the elevation was completed as rapidly as it could be done without interfering with train movements at the ground level. Owing to the central location of the work it was imperative to keep obstructions to street traffic at a minimum, and throughout the duration of the work some part of every street was kept open at all times except Fifth street which had to be closed for six months.

The grade separation work was conducted by The Dayton Union Railway under the direction of J. D. Moffatt, chief engineer, formerly assistant engineer Pennsylvania, and F. D. Lakin, assistant engineer, formerly division engineer on the Erie. The concrete work, amounting to 90,000 cu. yd. was done by the M. E. White Company of Chicago; the grading, 180,000 cu. yd. was done by Frank Tejan, Dayton; the structural steel, 9,000 tons was fabricated by the American Bridge Company and erected by the Kettler Elliott Company, Chicago; and the signal system was constructed by the General Railway Signal Company. All track work was done by company forces.

## Hoover Wants Wage Question Deferred

(Continued from page 466)

reached. Governor Roosevelt, the Democratic candidate for President, straddled the question by advocating "the highest possible wages that the industry can afford to pay."

After referring to the voluntary agreement as having been entered into with some reluctance the statement of the labor executives said that "Now, however, when there are some hopeful signs that the depression may have run its course, when there is renewed hope of early economic recovery, the railway employees find themselves menaced by a threat of further reductions of wages. We submit that our government cannot be further indifferent to the menace of such a program, not only to the railway employees but to everyone interested in promoting a revival of business. We sub-

mit that every effort to reduce wages, thereby further reducing purchasing power, will retard the forces of recovery."

This matter was brought to the attention of the President, they said, "particularly because in line with his policy the government has been extending the aid of the national credit to maintain the credit of the railroads." It was contended that the railroads, while suffering from a severe loss of traffic, are receiving the same "revenues" or even increased "revenues," meaning presumably rates, for the services they render, and that therefore, "the attempted justification for the payment of lower wages which is advanced by employers who have been compelled to reduce materially the prices of their products, cannot be urged as any justification for reducing the wages of railway labor."

Declaring that "labor when used and property when used in railway service are producing practically the same revenues as before," the statement continues that "unemployed labor is not being paid any unearned income but unemployed property is demanding payments of unearned income out of reduced wages," rather ignoring the fact that a considerably larger proportion of the railway investment is being used than is receiving any return. On this basis the statement again insists that "it is economically unsound and socially unjust to reduce wages in order that labor may be compelled to pay a dole to idle capital."

The statement also includes the theory heretofore enunciated by Donald R. Richberg, counsel for the railway labor organizations, "that industries are not established and cannot be maintained merely for the production of goods and services" and that "the primary service and the primary obligation of every industry is to furnish a livelihood to those who have invested their lives in that industry."

The Labor Executives' Association also announced that at its meeting during the week it had endorsed the candidacies of several men who are running for the Senate against the present Senators and that they would endorse Senator Brookhart, of Iowa, who was defeated for the Republican renomination, if he decides to run as an independent.

A motion was also adopted expressing opposition to the affiliation of members of the organizations represented with various organizations such as "ship-by-rail" associations and "booster" clubs, in which railway employees have been increasingly active recently, on the ground that they are frequently "mixing" in legislative and industrial matters which the labor executives think should be left in the hands of their own organizations. The motion declared it to be "the policy of this association to discourage affiliations with any type or kind of organization or association assuming to handle matters which can and are being handled by these (Standard Railroad Labor) organizations."

**FOREMEN'S SAFETY CONFERENCES.**—This is the title of a brochure which has been issued by the Metropolitan Life Insurance Company, 1 Madison Avenue, New York City, setting forth in detail the fundamental subjects, applicable in all industries, which should guide in the discussion of the general problem of safety to life and limb among workmen. The work consists of seven programs for seven conferences. The subjects are: (1) The reasons for safety work; (2) Using facts to prevent accidents; (3) Getting the new employee started right; (4) Helping the accident-prone employee; (5) Getting the department behind the foreman; (6) The value of safeguarding equipment; (7) The effect of good housekeeping on safety and operation. Copies will be sent to interested firms on request.





Photo Courtesy Montreal Star

The Royal Commission on Transport—Reading from Left to Right: Dr. Clarence Webster; Sir. Jos. Flavelle; L. F. Loree; Rt. Hon. Justice Duff; Rt. Hon. Lord Ashfield of Southwell; Beaudry Leman, and W. C. Murray

## Report on Canadian Railroads

Royal commission recommends close co-operation of two systems but not amalgamation—To divorce C. N. R. from politics

**P**RESERVATION of the identity of the two principal railway systems of Canada, emancipation of the management of the Canadian National from political interference and community pressure, a more rigorous check by the government upon proposed capital outlays for that road, and an elaborate plan for closer co-operation between the Canadian Pacific and the Canadian National whereby costly competition between them may be eliminated—these are the principal recommendations in the report of the Royal Commission on transportation problems which was submitted to the Dominion government at Ottawa last week.

### Report Favorably Received

Premier R. B. Bennett, in a brief statement commenting upon the report, announced that the document would be tabled in Parliament at the opening of the coming session on October 6, and that appropriate legislation would be introduced during that session to give effect to those recommendations of the Commission which the government may decide should be adopted. A high tribute was paid by the Prime Minister to the members of the Royal Commission and to the manner in which they have discharged their duties.

Parliament will be asked to pass legislation which will ensure the physical integrity of the Canadian National, Premier Bennett stated, which will prevent financial irresponsibility on the part of the road's management, which will inaugurate measures designed eventually to eliminate operating deficits, and which will eliminate aggressive and unprofitable competition between the two railways.

Canadian business men have already commented favorably upon the recommendations of the report, and last week at a meeting of legislative representatives of the four brotherhoods of the Canadian railways it was decided to issue an invitation for advice from the other branches of the railway service. The Canadian Pacific has announced a further deduction of 10 per cent in its officers salaries. Since the last session of Parliament there have been drastic reductions in the salaries of C. N. R. officers, in many cases as much as 40 per cent. At the end of this calendar year the Canadian people expect to see in the financial statements of the two roads a showing of large operating savings, aggregating about \$50,000,000.

The commission was composed of the following: Justice Duff of the Supreme Court of Canada, Dr. Clarence Webster, Sir Joseph Flavelle, L. F. Loree, Lord Ashfield of Southwell, Beaudry Leman and W. C. Murray. The full text of the report has not been made public. Extracts from the official summary follow:

The main problem before the Commission has been to secure relief to Canada from the heavy burden arising out of the railway situation. The principal contributory causes of the transportation problem are held to have been:

1. The over-development of railways beyond the immediate needs of the country.
2. Aggressive and uncontrolled competition between two nation-wide railway enterprises, a competition the more disastrous in that one of the competitors was publicly-owned and supported by the full resources of the Dominion.
3. The reactions of the world trade depression which began in 1929 and has progressively increased in its severity with each succeeding year.
4. Competition from other forms of transport, notably road transport.
5. Inelasticity of freight rates and railway practice generally which prevents prompt action in the meeting of falling rev-

enues and dealing effectively with competition from other forms of transport.

6. Contractual arrangements with labor organizations which set up a rigid wage scale, and inflexible labor practices generally.

7. The special disabilities of the Canadian National Railways due to:

(a) Assumption, through government action, of liabilities of insolvent railway systems for reasons of national credit.

(b) Large capital expenditures for improvement of the physical condition of the absorbed systems.

(c) Political and community pressure on the management arising out of direct government control.

### Proposals Considered

For the solution of the problem a number of plans were considered, including complete amalgamation of the two systems under either public or private ownership. Whatever the merits or demerits of this proposal, the Commission holds that neither complete public nor complete private ownership would be possible at this time. It is the view of the Commission that to establish a monopoly of such magnitude and importance would place in the hands of those responsible for the administration of the system powers that would, if not properly exercised, prejudice the interests of the Dominion as a whole.

### Considerations Necessary to a Solution

These and other plans were regarded as not fulfilling the conditions which in the opinion of the Commission are necessary to any practicable solution of the Canadian railway problem. It was considered that such a solution must correct evils which admittedly are apparent in the operations of the past, and provide machinery for co-operation between the two railways with a view to improving their financial position.

Certain main considerations were held to be necessary to a practicable solution:

(i) The identity of the two railway systems should be maintained.

(ii) The management of the National Railways should be emancipated from political interference and community pressure.

(iii) Machinery should be provided for co-operation between the two systems for the elimination of duplicate services and facilities and the avoidance of extravagance.

(iv) For the attainment of a scale of economies which will bring the burdens of the National System within reasonable dimensions and effectively check extravagant and costly operation, and,

(v) Provide reasonable protection for the privately-owned undertaking against arbitrary action by the publicly-owned undertaking which might unfairly prejudice the interests of the privately-owned undertaking.

### The Plan Recommended

To this end the Commission recommended a plan involving the appointment by the Governor-in-Council [i.e., in effect, by the Cabinet] of three trustees in whom shall be vested all the powers of the present board of directors of the Canadian National Railways. Vacancies among the trustees should be filled from a panel of eight named by the remaining trustees.

One of the trustees should be named as chairman at the date of his appointment with tenure of office of seven years. The terms of the remaining trustees should, in order to prevent them expiring on the same date with each other, or on the same date as that of the chairman, be for differing periods of less than seven years, to be fixed in each case in the order-in-council making the appointment. All trustees should be eligible for re-election. All should be persons of proved business skill and capacity. The chairman in particular should have financial, administrative and executive ability of a high order. On the points of integrity and ability involved in these qualifications, there should be no possibility of doubt in the case of any appointee. The chairman should give his whole time to the duties of his office. All trustees should be paid adequately, the chairman in particular should receive a salary commensurate with the high responsibility with which he is charged, and the special qualifications he must be assumed to possess.

A majority of the trustees should govern its decisions, subject to this qualification, that the chairman must be a member of any majority.

The annual budget of the railway should be under the control of the trustees. Amounts required for income deficits, including interests on railway obligations, for capital and for refunding, should first be submitted to the Treasury Board for its approval and presentation to Parliament by the Minister of Finance.

Since the debt of the system in the hands of the public is now very large and more than the railway can carry from its earnings even under improved conditions, sums which are required to meet deficits should be voted by Parliament annually and not raised by the issue of railway securities as has been done in recent years. This recommendation would not apply to capital for improvements and betterments nor to amounts required for refunding.

A report to Parliament by the trustees should be made annually, and should set forth in a summary way the results of operations and the amounts expended on capital account, brought into comparison with the appropriations made by Parliament, so that the exact position shall be placed before Parliament. There should also be provision against diverting appropriations for capital account to cover deficits in operation, or for interest, without the express authority of Parliament.

It is recommended that a continuous audit of the accounts of the system should be made by independent auditors appointed by Parliament from a list or panel drawn up by the trustees and they should make a report to Parliament, calling attention to any matters which, in their opinion, call for remark. In view of the report of the auditors, no examination of the detailed accounts of the system should be necessary by a Parliamentary committee. For the purpose of supplying necessary information to Parliament the attendance of the trustees might, however, be necessary. In the interests of discipline and to prevent prejudice to the relations that should prevail between trustees and the staff, it is earnestly recommended by the commission that the officials of the company in charge of operations should not be asked to appear for examination.

While the responsibility for the direction and control of the system should be laid upon the chairman and his associate trustees, provision should be made for the post of chief operating officer, with the titular rank of president. Under his care should be placed the entire working of the railway in detail. The president should be appointed by and responsible to the trustees and not directly to the Government or Parliament.

### Co-operation and Conference

The report emphasizes the fact that a principal weakness of the past decade has been the failure of the railways to get together in their own interest and in the interests of the public. It is not regarded as sufficient that each should take all practicable measures of economy in respect of its own system. There must be joint action with a view to savings in the wider sphere. To that end it is recommended that a statutory duty should be imposed upon the trustees, as well as upon the board of directors of the Canadian Pacific Railway that, consistent with the provisions of the existing law and with the recommendations of this report, and with the provision of all reasonable services and facilities, they should adopt as soon as practicable such co-operative measures, plans and arrangements as shall, consistent with the proper handling of traffic, be best adapted to the removal of unnecessary or wasteful services or practices, to the avoidance of unwarranted duplication in services or facilities, and to the joint use and operation of all such properties as may conveniently and without undue detriment to either party, be so used.

In order effectively to carry out the injunction to co-operate, it is recommended that the Board of Trustees of the Canadian National Railways and an equal number of directors of the Canadian Pacific Railway shall meet at regular intervals for the purpose of discussing and, if possible, agreeing in respect of matters referred to in the previous paragraph.

### The Adjustment of Disputes

In the event of failure to agree and for the purpose of settling disputes, and in particular disputes concerning the desirability of any co-operative measures or arrangements, and for the settling of details of any scheme to give effect thereto and for determining the conditions thereof, it is recommended that an arbitral tribunal should be set up for each occasion. The arbitral tribunal should be composed, first, of the chief commissioner of the Board of Railway Commissioners and second, of one representative from each of the two railways.

As a further measure of protection it is recommended that, at the request of either railway, and upon it being shown to the president of the Exchequer Court of Canada that the matter is of major importance, two additional members may be appointed by him to the arbitral tribunal for the occasion.

Where the execution of an order involves the doing of any act which by any existing statute requires the assent or ap-

(Continued on page 475)



# British Pooling Plan Approved

Minister of Transport gives consent to L.M.S.-L.N.E.  
proposal to divide competitive revenues

**F**OLLOWING receipt of the report of a special committee appointed to consider the subject, the Minister of Transport of Great Britain has, as reported in the *Railway Age* of August 20, page 275, given his official consent to the plan proposed by the London, Midland & Scottish and the London & North Eastern for a pool of all revenues received by either of those companies from traffic for which there is competition between them.

This pooling plan, which was briefly outlined in an editorial published on page 4 of the *Railway Age* of July 2, was submitted to the Minister of Transport on May 28, and was immediately referred by him to a committee consisting of Sir Walter B. Clode, K. C., Herbert Edgar Parkes and John Quirey, C. B. E., all three of whom are permanent members of the Railway Rates Tribunal. Beginning on June 28 this committee held a series of hearings lasting for eight days, at which evidence concerning the proposal was received from railway officers, shippers and representatives of employees.

## Details of Proposed Revenue Pool

Details of the plan, as originally worked out by the two railways concerned and as discussed at the hearings, are as follows:

1. *A Pool to be Formed.*—Subject to the provisions of paragraph 16, the London, Midland & Scottish Railway Company and the London & North Eastern Railway Company agree to pool and divide in manner provided by these heads of agreement all receipts as are to be included in the pool as hereinafter mentioned arising from traffics which are competitive between the two companies after there shall have been deducted from such receipts terminals and working expenses as provided by paragraph 5.

2. *Receipts to be Included in the Pool.*—Such receipts as fall to be included in Account No. 10 of the Statutory form of accounts under the several subdivisions specified in paragraph 6 to be included in the pool. In the event of a London Passenger Transport Bill becoming law whereby a pool of the passenger receipts of the board or authority to be constituted thereunder and of certain revenues of the four amalgamated railway companies is to be effected (See *Railway Age* for July 11, 1931, page 71.) the receipts of the two companies covered by such pool to be excluded from the operation of the pool to be formed under these heads of agreement.

3. *Definition of Competitive Traffic.*—For the purposes of these heads of agreement competitive traffic to be that which is directly competitive between the two companies for the whole or part of the route, i. e.:

a. Competitive because each company has a service all the way between the places concerned (such as London and Edinburgh).

b. Competitive because one company has its own service between the places concerned, and the other has a service between the same places, but only in association with another company (Nottingham and Bristol, L. M. S. by own route; L. N. E. in association with the Great Western).

c. Competitive because each company has a separate interest for part of the through route (Cambridge and Brighton, L. M. S. and Southern; L. N. E. and Southern).

d. Competitive because each company has a service between the places concerned, one entirely its own and one for part of the route over the lines of the other (London and Inverness, L. M. S. only; or L. M. S. and L. N. E.).

The foregoing definition to be subject to such exceptions as may be agreed between the two companies in respect of specific traffics for which no real competition exists or is likely to exist between them (such as passenger traffic from London to Lowestoft, for which the natural route is from the Liverpool Street station of the L. N. E., but for which there are possible routes via the Euston or St. Pancras stations of the L. M. S.).

4. *Joint Lines.*—Joint lines undertakings which are owned

solely by the two companies to be made separate parties to the pooling arrangements set out herein, the whole of the joint lines traffic receipts falling under the headings specified in paragraph 6 being pooled, except in respect of joint line local non-competitive traffic.

5. *Deductions before Pooling.*—Prior to pooling its receipts as above mentioned each company to deduct therefrom:

a. Terminals (station, service and collection and/or delivery). In accordance with the usual Railway Clearing House practice or other agreed terminals.

b. Working expenses. At such rates, to be agreed between the two companies, as will as nearly as possible equate the factors of train operating cost which vary with the volume of traffic hauled.

The deductions for terminals and rates of working expenses to be open to revision in the event of a material change of circumstances which renders that course necessary to ensure an equitable settlement between the parties.

6. *Pool to be Subdivided.*—The pool to be subdivided under the following eight heads:

a. Passengers.

b. Parcels and excess luggage.

c. Other merchandise by passenger trains.

d. Parcel post (not to include mails).

e. Merchandise (except Classes 1—6).

f. Merchandise and minerals (Classes 1—6).

g. Coal, coke and patent fuel.

h. Live stock.

7. *Division of Pooled Receipts.*—The two companies to participate in the pooled receipts in the proportions (in these heads of agreement called "the standard proportions") to be determined in the manner following: An account to be prepared under each of the above-mentioned eight heads for a standard year, such account to be based on the receipts of the years 1928, 1929 and 1930 ascertained by reference to the receipts corresponding to the receipts to be pooled under these heads of agreement after making therefrom deductions similar to those to be made under paragraph 5. The account to show the proportions in which each of the two companies participated in the receipts so ascertained (after the deduction aforesaid), which proportions when found shall be the respective proportions in which the two companies shall participate in the pooled receipts.

8. *Date of Operation of Pool.*—Subject to the provisions of paragraph 16 the pool to operate as on and from July 1, 1932.

9. *Dates of Settlement of Accounts.*—Settlements to be made on such dates as the two companies may from time to time agree.

10. *Returns and Accounts.*—Each company to render and keep all such returns and accounts as may be necessary or desirable to secure the pooling of the pooled receipts or otherwise for the purposes of the pool. Each company to afford to the other full access to books, documents, etc.

11. *Existing Pooling Arrangements.*—All existing pooling arrangements in which third companies are interested to continue as at present. As far as is practicable, existing pooling arrangements in which the two companies alone are interested to be merged in the pool to be formed under these heads of agreement.

12. *Existing Rights and Obligations.*—Existing rights and obligations of the two companies to other parties to be preserved.

13. *Revision of Standard Proportions.*—Either company to be entitled to require revision of the standard proportions on any of the following grounds:

a. The failure of the other company to maintain efficient services resulting in a substantial diminution of the receipts of the pool.

b. Capital expenditure incurred by one of the two companies with the concurrence of the other company which the two companies agree has resulted in increasing or tending to increase substantially the pooled receipts.

c. Any other material alteration of circumstances (not being an alteration caused by the operation of the pool) which would make or would be likely to make the continuance of those proportions inequitable to either company.

14. *Period of Pool.*—This agreement and the pool to be formed hereunder to continue in force for a period of fifty years as from July 1, 1932, and thereafter until determined by either of the two companies giving to the other five years' previous notice in writing of its desire to determine this agreement.

15. *Arbitration Clause.*—Any matter, question or dispute arising under these heads of agreement or out of the operation of the pool upon which the two companies fail to agree (including any question or dispute arising as to the revision of the formula of working expenses or the revision of the standard proportions) to be referred to and determined by an arbitrator to be agreed upon by the two companies or failing agreement to be appointed on the application of either company by the High Court.

16. *Consent of Minister of Transport.*—The two companies pursuant to the provisions of Section 19 of the Railways Act, 1921, to take the necessary steps as expeditiously as possible to obtain the consent of the Minister of Transport to this agreement and the pooling of receipts to be effected hereunder. (An additional clause in this paragraph provided that, if such consent were refused or the plan modified contrary to the wishes of either company, the agreement should be cancelled, and of "no further force or effect.")

17. *Formal Agreement.*—A formal agreement to carry out these heads of agreement to be prepared and entered into at the request of either of the two companies.

#### Opinion of the Committee

The special committee, in presenting its report to the Minister of Transport, indicated that the facts disclosed by its inquiry established a case of public necessity, and, at the very outset of its summary, recommended that the Minister give his consent to the pooling plan, in the statement that:

We see on the one hand a vital national industry stricken during a period of unexampled depression to a point which threatens exhaustion, and on the other a plan which holds good promise of relief, temporary in any case, permanent it may be hoped. This relief is coming from the quarter from which relief comes best, namely, the exertions of the parties themselves, and to these a pooling agreement must be the prelude . . . . In our opinion this agreement is one to which . . . your consent should be given.

The committee then considered in some detail various aspects of the problem, pointing out the absence of any legal objection to a pooling scheme and establishing the necessity of allowing the companies to adopt measures to offset the decline of almost 25 per cent in their gross revenues between 1922 and 1931—a decline due largely to "depression in trade and intense competition," and which "has had the effect of reducing their dividends and the values of their stocks and shares; and has affected the credit of the companies in regard to raising fresh money for keeping up to date, affording new facilities for the public, and meeting competition." Although the two roads, which together perform about 70 per cent of Great Britain's rail transportation, are given full credit for reducing their operating expenses while improving their service, both in the face of declining traffic, the committee also pointed out that:

Not only have the economies effected failed to offset the fall in gross receipts, but the existing fields of economies are now narrowing, and it is impossible to chase declining revenues at the same pace as in the past. The companies have therefore been driven to seek fresh fields of economies without which the continued existence of the railways is threatened. This pooling scheme is put forward as a joint effort to save the industry for the shareholders, the workers, the traders and the public. For the shareholders, because of the necessity for the maintenance of so large a volume of capital on a paying basis. For the workers, because of their dependence on the industry. For the traders, because of the necessity of maintaining the railways as an efficient unit in the trade constitution of the country. And for the public generally, because the railways are a public necessity.

#### Probable Advantages

In that section of its report dealing with the probable advantages of the pooling plan, and with its financial effects, the committee was necessarily much more indefinite, since the two companies "would not hazard even an informed guess" as to "an estimate of the financial effect of the whole of the anticipated economies," for the reason that "they have at present no 'cut and

dried' plan to put into execution, but would attack the problem piecemeal."

The companies stated that they had set up a committee to advise them as to the sort of things that might be done under a pooling arrangement, and illustrations were given of particular cases they had considered. For example, an arbitrary figure of £50,000 per annum was given as the amount it is hoped to save by certain arrangements in connection with canvassing, the present cost of which to the two companies is about £300,000 per annum. In one case, it is thought the passenger service between two points can be completely fused, and that will save £12,000 a year . . . .

But beyond the examination of types of economies the companies had not been able to go. The scheme will take a very considerable time to develop before it shows its full results. The only test would be actual practice. Each new kind of economy would become the subject of a particular experiment and, if successful, would be extended. In spite, however, of the difficulties in the way of any precise quantification, the committee were assured that material and substantial economies would be realized.

In addition to effecting economies which are not now possible, thereby improving the financial position of the companies with the consequential benefits to all concerned, the companies hope, by this scheme, generally to maintain or make improvements in existing public facilities, and to be in a better position to meet road competition . . . . They also look upon this proposal as a contribution to national recovery at the present time, because it is a conservation of expenditure of capital and involves the fullest utilization of existing resources.

The first definite result of the pooling plan was in the nature of improved service, effective September 1, when a system of inter-availability of passenger tickets was introduced under which certain round-trip, tourist and season tickets purchased from either of the two railroads will be honored over the lines of the other.

#### Attitude of Shippers and Employees

Opposition to the plan was encountered during the committee's hearings from shippers and employees. The former, who had "come to regard competition as a most valuable weapon to secure their demands, and viewed the pooling agreement with anxiety as it was avowedly a step towards depriving them of it," changed their opposition to support upon receiving assurances from the railways that:

(a) If, in consequence of this pooling scheme, the railway companies discontinued or altered an existing working route they would not seek to make that a ground for an increase of rate or for altering the chargeable distance;

(b) Though some freight services may be withdrawn the general level of services will be raised; so that, taken as a whole, the services and facilities after pooling will be better than if no pooling is permitted. In addition, where it is proposed to withdraw important freight services or facilities the railway companies will consult with the trading interests concerned before taking action.

The failure of the plan as originally published to make clear the fact that the companies intended to preserve their own separate corporate identities and their own administration and executive staffs, with no thought of complete consolidation, lead the leaders of the three railway labor unions to treat the matter as one of amalgamation, and to ask compensation for any men who might be discharged or reduced in rank as a result of the pool. While the unions have not finally decided what attitude they will take in the matter, the roads indicated their willingness to maintain their present staff intact, insofar as possible, in the following statement by their counsel:

Each of the companies is prepared to undertake that it will not, as a consequence of the pooling to be effected under the agreement, dismiss any member of their staff falling within any of the conciliation or salaried grades who entered their service as permanent employees prior to July 1, 1932 . . . .

The effect of that undertaking would be to ensure to every

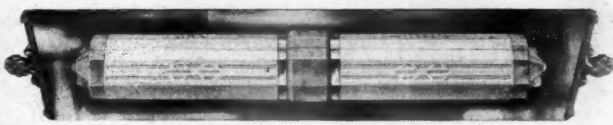


one member of the conciliation and salaried grades, who has entered into the service so recently as July 1 of this year, an immunity from dismissal from anything done as a consequence of the pooling arrangement. But, on the other hand, the companies are to be entitled to make what rearrangements may be necessary, and that may involve transferring a member of the staff from one position to another. It may, indeed, involve reducing a member of the staff to a lower position; and that, again, may mean that his pay would be lower. But under that undertaking he is secured of a job.

## L'Image Lighting Units for Passenger Cars

**A**N innovation in lighting fixtures for railway passenger cars has been introduced by the Safety Car Heating & Lighting Company in the form of a line marketed under the trade name "L'Image Lights."

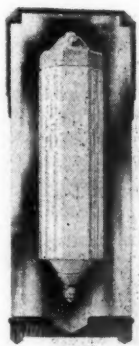
The translucent, enclosing material, which may be either glass or the molded plastic "Transilux" is formed as a half cylinder and placed directly against a polished metal surface. As the reflection comes from



One of the Ceiling Units

the surface of the metal, and not from the back of the glass, as in the case of a mirror, the light source appears to be a complete cylinder and gives the effect of floating in space.

Metal supporting brackets, which have been handed down as a tradition, from tallow candle and oil-burning units which had to be held away from the wall, are thus done away with.



Side-Wall Unit

The metal reflecting surface is non-corrosive and nearly scratch-proof. It can be cleaned with a dry cloth or any non-abrasive metal polish. The reflecting coefficient of the metal is 80 per cent as compared with 90 per cent for the best silvered glass mirrors and tests show that 14 per cent increase in useful illumination is obtained by the metal plates as compared to illumination obtained when a finished white pine panel is substituted for the plate. When tubular lamps are used in these fixtures, it is not necessary to cut into side walls or ceilings for lamp sockets and lamp. The long light filament eliminates spotting of

light on the translucent enclosures. When the fixtures are used for redecorating existing passenger cars, the mirrored panel can be made of ample area to cover holes or other defacing marks made on the wall by previously used lighting fixtures.

The lighting units are available in many different periods and styles, including Egyptian, Classic, Renaissance, Chinese, Colonial, Modern and other types. Fixtures of this kind has been used in two recently rebuilt Chicago & North Western parlor cars. An interior of these cars was pictured in the August 6 issue of the *Railway Age*, page 198.

## Report on Canadian Railroads

(Continued from page 472)

proval of the Board of Railway Commissioners or where in the opinion of the chief commissioner himself the public interests involved are of sufficient importance to warrant it, no order made by the arbitral tribunal shall be operative without the concurrence of the chief commissioner and his formal written assent.

The powers of the arbitral tribunal shall be capable of being invoked by either railway or by the Dominion or any Provincial Government. In the event of conflict between the Board of Railway Commissioners and the arbitral tribunal, it should be made clear that the order or decision of the arbitral tribunal shall prevail.

In the opinion of the Commission the arbitral tribunal ought not to have jurisdiction to order the construction of extensions and additions to existing lines and facilities, except in such minor matters as connections to give access to existing tracks and terminals which by order of the arbitral tribunal or otherwise are used, or are to be used, in common.

### Jurisdiction of Proposed Tribunal

Subject to the provisions of any statute relating to any particular railway, the arbitral tribunal shall, however, have full jurisdiction as to measures, plans and arrangements relating to:

- (a) Joint use of terminals.
- (b) Running rights and joint use of tracks where there are actual or functional duplications, or where such may be avoided.
- (c) Control and prohibition in respect to the construction of new lines and provision of facilities and additional services where no essential need of the public is involved.
- (d) The joint use of facilities where this would promote economy or permit the elimination of duplicating or unremunerative services or facilities.
- (e) Abandonment of lines, services or facilities.
- (f) Pooling of any part or parts of freight traffic or of passenger traffic.
- (g) Things necessarily incidental to the above enumerated matters.

It is recommended that there be no appeal from any decision of the arbitral tribunal on any question of law or fact; except as to a question of law if it is one involving a question of jurisdiction, in which case there should be an appeal to the Supreme Court of Canada, by leave of a judge of that court.

### Thornton Praises Report

The report in many respects follows recommendations made last January in testimony before the Commission by Sir Henry Thornton, former president of the Canadian National, who was relieved of that post by the present Government. Sir Henry praised the report and the work of the Commission in a statement following the publication of the summary. His remarks follow in part:

"The summary of the Royal Commission report seems to indicate that the commission had two major objectives in view: (1) The removal of the Canadian National Railways from political and section pressure; (2) The elimination of uneconomic competition between the Canadian National and the Canadian Pacific whether that competition be in redundant services or the unnecessary expenditure of capital for either protective or aggressive purposes together with the introduction of competition in facilities and services. Broadly speaking and in principle the recommendations of the Royal Commission are in accord with the views I have held and with the submissions which I made to the commission."

"THE BEAUTIFUL STEAM CAR PONCHARTRAIN" figures in the news of September, 1832, as printed in the New York Evening Post, and now reprinted in that paper. It was a locomotive engine imported from England and tried at New Orleans, La., on the Ponchartrain Railroad, a short line long since taken over by the Louisville & Nashville. The vehicle was found to be "under complete control" and was spoken of as "the wonder of the age" in that neighborhood.

# Communications and Books...

## Relief For The Railroads

TO THE EDITOR:

From time to time and over a long period I have been reading the letters which you have been publishing from a great many people in apparently every walk of life, and all of them suggesting various ways and means of helping the railroads out of their difficulties. In a majority of cases they have only diagnosed the case from one angle, and there are many angles in the ills of a railroad.

If these self-styled doctors, or shall we say diagnosticians, would take a little more time and pains to study the situation in every department then they may be in a position to formulate a remedy. Nine times out of ten they have only considered the passenger or freight departments, or both. How about the operating, purchasing, auditing, maintenance of way, signaling, engineering, buildings and bridges, or the sub-departments in any one of these fields? Have they considered the railroads in the same light as any other industry and marvelled at its ability to exist under the strangulation of the Interstate Commerce Commission? Have they considered the exceptionally heavy burden of taxes the railroads must carry? Have they considered for one minute the abuses of many of our public who are unscrupulous, or its long suffering caused by political aggrandizement?

The railroads need more freedom to operate and adopt their own policies. They want relief in taxation and from subsidized and unregulated competition, a proper adjustment as to rates both in the freight and passenger departments; in short they have been trying for an opportunity to operate on the same basis as any legitimate industry would operate and is operating today to meet the conditions.

Let us begin our survey of the conditions first with the Interstate Commerce Commission and suggest that the railroads be granted some relief of the pressure imposed in this quarter and then start on the railroads, taking each department in its turn according to its importance. When relief comes from the inside to the outside convalescence is accelerated.

C. M. EVANS.

## New Books

*Practical Railway Operating*, by T. Bernard Hare, district superintendent, London & North Eastern, Middlesborough, England. 163 pages, 7½ in. by 4¾ in., bound in cloth. Published by Modern Transport Publishing Company, Ltd., Norman House, 105-109 Strand, London W. C. 2, England. Price, 5 shillings.

This volume, which offers in bound form a series of articles written by Mr. Hare and originally published in *Modern Transport* (London), takes up problems of line occupation; station, freight house and classification yard management; freight and passenger train operation and service; switching; train control; statistics, etc. Working with the double background of a practical operating officer and of a theoretical student of railway affairs—Mr. Hare was formerly a lecturer in transport subjects at the Leeds College of Commerce—the author, wisely enough, does not attempt to reach a solution of every possible problem of railway management. His interest lies rather in the means of arriving at such solutions, and in showing how statistics and diagrams, when the latter are carefully and appropriately constructed, may be made to point the way to improved service or reduction of expenses. It is true that diagrams of train schedules, locomotive assignments, and others which Mr. Hare suggests, are used less now than formerly in this country and Canada, while the cases which he builds up to demonstrate his methods are, naturally, those peculiar to British railways, with comparatively dense traffic over relatively short distances. But one great advantage of his diagrammatic method of attack is that such charts may be constructed

from available records to meet almost any operating problem; the principle can, therefore, be applied without essential change to a wide variety of conditions, often with beneficial results.

One particularly interesting suggestion advanced by the author relates to the use of light power units, of the oil- or gas-electric type, to perform switching service at groups of adjacent stations where a considerable number of cars must ordinarily be set out or picked up by road freight locomotives, but where traffic at any one point is insufficient to justify full-time employment of a switching engine. This suggestion, again, is perhaps especially applicable to Great Britain. There is, however, at least one instance of similar use of a light locomotive in the United States, on the Chicago, Burlington & Quincy; and it is entirely probable that there are other cases, particularly in densely-populated, heavy-traffic territory, where oil-electric or gas-electric units could be used to advantage in performing switching at several local stations, traveling from one to the other as necessary, thereby relieving way-freight locomotives and crews of most of this work, with a consequent speeding up of local freight service and a reduction in occupation of main-line facilities.

*Regulation of Intercoastal Commerce*, by Howard C. Kidd. 87 pages, 9 in. by 5¾ in. Bound in paper. Published by the University of Pittsburgh, Pittsburgh, Pa. Price \$1.

Dr. Kidd, who is professor of commerce at the University of Pittsburgh, presents in this monograph a concise but thorough analysis of problems arising from the lack of effective regulation of intercoastal water carriers. Opening chapters consider the growth of intercoastal commerce since the opening of the Panama Canal, and particularly since the World War, and the effect of this virtually unrestrained coast-to-coast trade on the American merchant marine. This latter is summed up in three words: Competition, conferences, chaos. In examining the attitude of the railroads the author finds that while the western roads have every reason to regard the Panama Canal as an arch enemy, the eastern lines and the lines serving Gulf ports, have obtained much additional traffic and better divisions of rates since the development of the canal route. Thus, when he reaches his conclusion that the intercoastal carriers should be regulated by the Interstate Commerce Commission, Dr. Kidd holds that if such regulation were effected the water carriers would perhaps not be confronted with the railroad solidarity which many advocates of Shipping Board regulation apparently fear.

"At present", he says in this connection, "western railroads defend their interests before a tribunal (the I. C. C.) which must protect but cannot regulate their competitors. In such an uneven contest, the eastern carriers and the north-south lines are inclined to remain aloof. They maintain this attitude not only because of 'railroad solidarity' but also because they know that the unregulated intercoastal companies, fixing their rates in self-interest, will inevitably play into the hands of the rail lines serving the Atlantic and Gulf ports. But if the commission undertook to regulate intercoastal rates, the water carriers would in all probability find powerful eastern railroads lined up on their side for the first time. With western railroad opposition by no means lessened, but with more friends at court, the intercoastal carriers, under control of the commission, would not be without resources to protect their own interest."

As to the need for regulating intercoastal commerce at all Dr. Kidd finds "clear evidence that some form of regulation is desirable" as he points to "the endeavor of shipping companies during the past ten years to stabilize their industry by imposing self discipline." He would assign the regulatory task to the I. C. C. because with that body already regulating both rail and rail-water rates the extension of its authority rather than that of the Shipping Board "is clearly the more logical"; also because, with its hands tied as at present with respect to water transportation, the commission is handicapped in its endeavor to carry out its mandate to preserve both rail and water transportation "in full vigor."



# Odds and Ends . . .

## Canada Goes Modern

Times are changing in Canada. It wasn't long ago that cattle were so numerous around most municipalities in the Dominion that railways were required by law to erect cattle guards at all highway crossings. But now the Board of Railway Commissioners has recognized the advent of a new era. An order just issued reads: "It is ordered that all railway companies subject to the jurisdiction of the board be, and are hereby, relieved from erecting and maintaining cattle guards at highway crossings in cities and towns."

## Locomotive Larceny Continues

Pretty soon the jails are going to be full of railroad enthusiasts who give way to the urge to steal a locomotive. Down at Fairview, Okla., the population of the local hoosegow was increased by one a few days ago, when a Cheyenne Indian from the nearby reservation was removed from circulation on a charge of stealing a Santa Fe engine. The Indian found the locomotive in front of the roundhouse at 1 a.m. and, climbing into the cab, he opened the throttle and headed north. The roundhouse foreman and the town marshal chased the engine by automobile to Orienta, seven miles away, where, after being fired upon, the Indian finally brought the locomotive to a stop.

## Trainload of Barytes

Whatever barytes is—or are—, a solid trainload of it—or them—is something worth talking about. The Norfolk & Western had such an unusual consignment recently when a solid train of barytes moved over its lines from Georgia to Norfolk, Va., enroute to Philadelphia. Quite a crowd collected at Roanoke to see and marvel at the train, after which they went in a body to call upon Chief Chemist J. H. Gibboney to find out what barytes is—or are. They found out that barytes is—or are—a mineral—barium sulphate—a white, crystalline stone which must be pulverized before it is used. The product is used as an adulterant in putty, a filler in paper-making and as one of the ingredients of paint. The trainload of barytes hauled by the Norfolk & Western, consisting of 36 cars, had a net weight of 2,000 tons.

## New Use for Dining Cars

Something for dining cars to do in their idle moments, when they are not running around over railroads, was discovered recently at New York. The board of directors of the Broadway Association held its first luncheon meeting for the 1932-1933 season in the dining car of the Pennsylvania's Broadway Limited. The train was parked at a convenient spot in the Pennsylvania station for the use of the directors. Several officers of the Pennsylvania were guests, and A. H. Shaw, general passenger agent, made a short address of welcome to the gathering. After luncheon the directors were given an opportunity to inspect the train and were then conducted on a general tour of the Pennsylvania station. The occasion served as the official recognition by the association of the thirtieth anniversary of the inauguration of the Broadway Limited.

## Super-Service on the Northwestern Pacific

On the Northwestern Pacific, according to William S. Wollner, general safety, fire prevention and welfare agent, everyone is enthusiastically promoting a "Service With a Smile" campaign. There seems to be no limit to which employees of the Northwestern Pacific will not go to satisfy their customers. For example, consider the special service which they render to those of the commuters on the railroad and ferry lines into San Francisco who are inveterate readers. It seems that these commuters create quite a problem for the Lost and Found Bureau since they frequently leave books and maga-

zines on the boats and trains. Furthermore, a special problem is created when books borrowed from libraries are left on trains. The magazines are easily disposed of, but the books must be kept until they are claimed by the losers. In the case of library books, the Northwestern Pacific goes the limit. Special handling is given to these, and if they are not claimed promptly, they are returned to the libraries which issued them a day or two before the expiration date of the loan, thus saving the borrower the necessity of paying a fine or possibly the cost of the book. What more could a literary-minded commuter ask?

## Dilemma

One of those things which add to the gray hairs of operating officers occurred recently on the New York, New Haven & Hartford at Andover, Conn. A cow stranded on a New Haven trestle held up train traffic from Hartford to Boston for two hours. It seems that the cow jumped out of a truck and became caught in the ties. Four trains were stalled until a derrick could be sent from Willimantic to lift the animal, uninjured, off the track.

## She Didn't Watch the Pennies, She Saved Them

ST. PAUL, MINN.

TO THE EDITOR:

Your story in the August 20 issue regarding "These Wily Commuters" reminds me that many years ago the local street car system in Milwaukee, Wis., was operated with a five-cent cash fare, a four-cent "token" fare and a three-cent fare for children under 12. It also had a universal transfer system.

A certain frugal "hausfrau," who lived at the crossing intersection of a downtown and a cross-town car line, ingeniously turned this arrangement to her own advantage. When she found it necessary to use the street car, she sent her small boy to walk a block up the cross-town line. There he boarded a car alone, paying a three-cent fare and receiving a transfer. At the next corner, the intersection of the cross-town line with the downtown line, he debarked and, like a dutiful son, turned his transfer over to his mother, she presented this to the conductor on the downtown line, who honored it for the downtown trip, thereby permitting the thrifty woman to ride at a saving of 25 per cent of the cost of a "token" or 40 per cent of the cost of a cash fare.

J. C. RANKINE,

Assistant to Vice-President, Operating Department, Great Northern.

## Two Unusual Accidents

Most accidents on railways are avoidable, but now and then one occurs which is entirely unexpected. Two such accidents, it happens, have been suffered by employees under E. W. Stanley, trainmaster on the Arkansas division of the Missouri Pacific at Little Rock, Ark. The first such accident occurred when he was trainmaster on the Omaha division. A train was being switched in the yards at Atchison, Kan., when a brakeman, who was standing beside the locomotive, passing signals, suddenly received a terrific blow upon the head and one shoulder. The blow, it turned out, was from the locomotive bell which had fallen from its mooring on top of the boiler. That accident was unusual enough but another one which happened recently in Mr. Stanley's territory was even more so. This one occurred at Hope, Ark., in the freight office. This office is equipped with a large old-fashioned clock, of which heavy iron weights are a prominent part. The ancient timepiece must be wound at intervals of 8 or 10 days and the winding is done with a crank-like key something like the crank of an automobile. One of the employees was engaged in performing this simple and apparently non-hazardous task when one of the weights fell and landed with considerable force upon his great toe, laying him up for several days.

# NEWS

## Legal Rail Securities Proving Speculative

Market among fiduciary institutions depends on new safeguards, says Dick

The present law defining legal investments has broken down, for under it many securities qualified that have proved highly speculative, and it may be that a proper standard to protect fiduciary funds may be a standard which at the present time few railroad bonds can measure up to, said F. R. Dick, of Roosevelt & Son, in an address at the recent convention of the Savings Bank Association of New York. Continuing, Mr. Dick told the savings bankers that an "investment mistake evidently has been made" and, before institutions will again buy railroad securities, there must be, in addition to increased net earnings, some reliable protective measures and safeguards as to stability.

"It will not be easy to set up a yardstick such as I am describing," he concluded, "but I believe that it can be done. Much study will be required to determine and define all the necessary qualifications, but I believe that the paramount qualification is that which I have emphasized—increased stability through protection against confiscation. The other important problems confronting the industry are not insuperable and through consolidation on a broad scale they can be greatly simplified. With a limitation in competition for traffic, rate problems will become more simple. Economies in operation will widen the margin of profit, and this can be further increased by sound Governmental policies in regard to taxation, competition and burdensome restrictions so as to permit substantial decreases in rates. But without protection against confiscation, the solution of these problems will not in themselves protect your bonds. Of this our experience since 1920 should be ample warning. Improvements in efficiency and reductions in unit costs have exceeded all expectations, but beginning in 1922, in 'Reduced Rates,' these gains have largely been passed on to the shippers and now, in 1932, we are worse off than we were in 1920. In the next ten years I am extremely confident that the railroads can solve their problems of reducing costs with the same success as in the past ten years, but even admitting this high degree of success, railroad bonds should not qualify for trustee investments unless the resulting earnings are effectively protected against confiscation."

## Trucking Is Going Out

"Passaic County Mason Material Dealers voted to support the producers who would stop trucking to their jobs. This means also, that they will ask producers to deliver only to their yards as soon as the producers place themselves on record as favoring such a program.

"This is the beginning of the final move to stop trucking to jobs by producers in the northern New Jersey market. Other dealer groups, it is anticipated, will go on record as fast as meetings are held.

"Thus a lot of talking, wishing and hoping is rapidly developing into reality."

—A statement issued by the New Jersey Mason Material Dealers Assn.

## Plan for New California Passenger Service Postponed

At the request of the Great Northern and the Western Pacific the Interstate Commerce Commission has dismissed their complaint in which they had sought an order requiring the Southern Pacific to join them in establishing joint through round-trip fares via the new line of the Great Northern and the Western Pacific in northern California. The commission was advised that because of the serious reduction in the traffic of complainants they had felt that the proposed through passenger service over the Bieber route to California between eastern points and San Francisco should not be established in the Spring of 1933 as contemplated.

## Object to Yard Crew Decision

A petition objecting to the decision of an arbitration board issued at Des Moines, Iowa, on September 7, in favor of the Switchmen's Union of North America was filed in the federal court on September 20 by the Iowa Transfer Railway Company, which is owned by five railroads. The award, which denied the railway the right to cut the size of a switching crew from a foreman and two helpers to a foreman and one helper, was signed by A. B. Funk, state industrial commissioner, and J. P. Brindley, union representative on the board. A dissenting opinion was filed by a third member of the board, J. A. Wagner, general manager of the transfer company. The transfer company charged that the decision is invalid in that it does not conform itself to the stipulation of the agreement to arbitrate.

## Long Island Installs Door-to-Door Service

Co-ordinating arrangement with Railway Express Agency made effective October 1

The Long Island, through a co-ordinating arrangement with the Railway Express Agency, installed on October 1 overnight collection and delivery services involving all-commodity rates for l.c.l. freight moving between New York City, and points on Long Island and locally between any two points on Long Island beyond New York City. In explaining the plan Vice-President George Le Boutillier of the Long Island said that a working arrangement had been perfected whereby trucks of the Express Agency, operating over their regular routes, will collect the shipments at shippers' doors at originating points, the railroad will perform the road haul to destination freight station, where the Express Agency trucks will again collect the shipment and complete delivery to the consignee's door.

For operating purposes the territory served has been divided into five zones, two of which are in New York City and three on Long Island beyond. The all-commodity rates are expected to afford patrons substantial reductions in transportation costs. For example, says the announcement, from any address in Manhattan below 126th street, Brooklyn or Long Island City, the rate to Jamaica, Flushing and points east to Port Jefferson is 37 cents per 100 lb.; to Riverhead and Westhampton, 42 cents; and to Greenport and Montauk, 47 cents. The rate per 100 lb. is the minimum charge for an individual shipment while c.o.d. shipments are handled for a charge of 25 cents for the collection of \$100 or less and 10 cents for each additional \$100.

In addition to the local service the plan also makes available collection and delivery at a charge of five cents per 100 lb. (minimum 25 cents per shipment) for l.c.l. freight moving under the regular class rates to and from connecting lines.

This new service," Mr. Le Boutillier pointed out, "is a further step in co-ordinating railroad and trucking operations on Long Island so as to provide a complete through transportation service for the handling of merchandise freight from the door of the producer to the door of the consumer, or from individual to individual."



## N. C. Employees Form State Association

Meeting at Raleigh draws 3,500—  
U. S. Senator among speakers—  
Membership 50,000

Railroad employees of North Carolina and persons sympathetic with their aspirations perfected on September 20 the organization of the North Carolina Railroad Employees and Taxpayers Association at a meeting at Raleigh at which attendance totaled approximately 3,500.

The principal speakers at the meeting were U. S. Senator Josiah W. Bailey, O. H. Page, general superintendent, Atlantic Coast Line, and E. C. Bagwell, general manager, Seaboard Air Line. Senator Bailey stated his opinion that the railroads were over-regulated and advised placing highway carriers under the supervision of the Interstate Commerce Commission. Mr. Page commented on the decline in railroad employment and the consequent loss in wages which would otherwise have been spent with local merchants. Mr. Bagwell expressed his endorsement of the association and offered his co-operation. It was reported that membership of the association in North Carolina has now reached a total of 50,000.

The association adopted a resolution congratulating Governor Franklin D. Roosevelt for his attitude toward the control of motor transport which, the resolution reads, "harmonizes so closely with the principles and aims which have been adopted for our future guidance."

W. R. Vaughan, of Henderson, was elected president of the association and A. J. Humphrey, Wilmington, vice-president, the selection being made following the recommendations of a nominating committee representing employees of all the railways in the state. C. W. Johnson, of Raleigh, was elected treasurer and it was decided to leave the question of the selection of a secretary to the executive committee, the duties of the position in the meantime to devolve upon the president. The executive committee, composed of an employee representative from each congressional district in the state, was appointed and the following declaration of policies was adopted:

1. Recognizing that the expeditious and economical interchange of communication and commodities between citizens of a community, state or nation, are essential elements in the progress and development of a people, and that adequate railway transportation facilities constitute the basis of such interchange, and that the railroads of this state are an indispensable method of transportation, and their preservation is vital to the communities they serve, that such existing facilities should not be destroyed or their usefulness impaired, and that the present method of utilizing the state highways for transportation purposes for hire and private profit without exacting reasonable costs of maintenance and preservation of these public thoroughfares without proper regulation of their use for private profit, is economically unsound, and that the present method of highway transportation jeopardizes public safety and is unfair and unjust to the tax payers of the state;

2. We do hereby organize ourselves into an association to be known as the Railroad Employees and Tax Payers Association of North Carolina, for the purpose of urging upon the legislature (state and nation), the correction of the existing disparity and the proper regulation of transportation upon highways, to the end that they may be preserved and made safe for public

use, and that the persons using the same for the purpose of transportation for hire shall be required to contribute to their reasonable cost and maintenance, and to this end we declare:

2-a. That the use of the public highways of the state for the purpose of transportation for hire should be regulated as to load, speed, height, width, length, safety, rates and service, and that every person so using the same should be required to contribute to the cost of construction, maintenance and renewals, such reasonable revenue as will amply compensate for the use of the highways for the purpose of transportation for private profits and more equitably distribute such cost of construction and maintenance as between the private truck or automobile owner and those operating thereon for hire or profits.

2-b. All persons using the public highways for the purpose of transportation by motor vehicles of property sold or to be sold by him or them in the furtherance of any private commercial enterprises, should also be required to contribute their just and ratable proportion for the cost of construction and maintenance of such highways so used.

3. The railroads of the state are required to contribute to the maintenance and upkeep of the state and its institutions, including counties, cities and towns, a large percentage of their gross revenues in the form of taxation, and are required to purchase and maintain their own roadbeds and tracks. They are also required to provide suitable and adequate depot and terminal facilities for the use of the general public, and to keep the same open during reasonable working hours for the convenience of the public. They are required to file freight and passenger tariffs and adhere strictly to the fares and rates named therein for the transportation of persons and commodities. They are required to announce and maintain adequate and regular schedules regardless of the amount of traffic available. They are required to own and be prepared to furnish upon reasonable notice suitable equipment for the transportation, at published tariff rates, any and all kinds of commodities, including special and seasonal commodities. These and numerous other proper regulations imposed upon the railroads as common carriers for the protection and convenience of the people of the state has resulted in the construction of an adequate railway system in North Carolina that will, if properly protected against state subsidized competition, continue to contribute to the progress and prosperity of the state by providing prompt, dependable and economical transportation, as well as contributing to the support of the state and its institutions large sums in taxation. Therefore, we desire to protest against the increased and increasing costs of the administration of government in both state and nation, and demand that all unnecessary governmental expenditures shall be immediately discontinued and that a fair and equitable system of taxation be adopted by the state, based upon the actual value of property on the day of assessment.

4. It is apparent that if the present method of state subsidized and unregulated competition by motor transportation is permitted to increase or continue, it will result in a complete demoralization of the transportation industry by both rail and highway in North Carolina, leaving the people without adequate means of transportation.

5. For the accomplishment of these purposes, we urge and request all citizens of the state who are or may become interested in the plans and purposes of this association and in the preservation of the state highways for the purpose for which they were constructed and preventing their destruction by use for private profit and gain, and who are interested in the preservation of the railways as a means of transportation by relieving them of subsidized and unregulated competition for private profit at the expense of the people of the state, to join with us in securing the adoption of the program outlined and in the accomplishment of such other plans and purposes as may appear proper in our efforts to create and maintain a new industrial program that will halt the present downward march and bring us into a state of peace, happiness and prosperity.

### Equipment Placed in Service

Class I railroads in the first eight months of 1932 placed in service 2,477 new freight cars, the Car Service Division of the American Railway Association has announced. In the same period last year the total was 9,655.

On September 1 this year these roads had 1,423 new freight cars on order compared with 6,643 on the same day last year. They placed in service in the first eight months this year 35 new locomotives compared with 103 in the same period in 1931. New locomotives on order on September 1 this year totaled five, compared with 29 on the same day last year.

## Transport Problem Result of Subsidies

When all agencies are self-sustaining effective co-ordination will come, says Pelley

With our national system of transport now composed of air lines, water lines, highway motor vehicles and the railroads, our national transportation problem is to determine from an economic standpoint just what services can best be provided by each of these agencies and also the relationship these several forms of transportation shall bear to one another, said John J. Pelley, president of the New York, New Haven & Hartford, in his discussion of "Subsidized Transportation" before the Great Lakes Regional Advisory Board at Buffalo, N. Y., on September 28. While he held no brief for any form of transportation, pointing out that the New Haven and its subsidiaries include both steam and electric railroads, trolley lines, buses, trucks and steamship lines and that it is watching the development of air transportation "so that we will be prepared to operate our own air service when the proper time comes," Mr. Pelley nevertheless expressed a vital interest "in the economic efficiency and the future development of the different forms of transportation," and held that it is from this latter standpoint alone that the transportation problem should be considered.

Mr. Pelley at the outset sketched the development of transportation and next considered in turn each of the major agencies of transport. All, save the railroads, he found to be enjoying some form of subsidy.

Referring to aviation, he cited the lighted airways, radio beacons, municipal and state airports and "extremely generous" air mail contracts to support his conclusion that "passengers who use air transportation pay only a small part of the actual cost. It is the taxpayers who are paying the greater part of the bill."

Next came specific examples of economically unsound waterway developments, as Mr. Pelley led up to his comment on the proposed St. Lawrence seaway. "Despite our experience with the New York State Barge canal, the Cape Cod canal, the Mississippi river, the Warrior river and all the hundreds of rivers, harbors and other inland waterways that are provided free to develop water transportation," he said, "we are now confronted with the most gigantic proposal of all—the improvement of the St. Lawrence river. If this waterway should be completed and it handles all the traffic that is available, it will cost somewhere between \$4 and \$11 per ton just to provide the waterway. The expense of moving the freight will be additional."

In connection with highway transportation, Mr. Pelley suggested that every state should provide an equitable

(Continued on page 485)

## Barge Line Storage-in-Transit Approved

I.C.C. dismisses warehousemen's complaint against Inland Waterways Corp.

Dismissing a complaint filed by the American Warehousemen's Association, the Interstate Commerce Commission has issued a report holding that the storage-in-transit practice of the Inland Waterways Corporation at the ports of Memphis, Tenn., and Birmingham and Holt, Ala., in connection with sugar shipped by barge from New Orleans and other gulf ports, and subsequently forwarded by rail to interior destinations as a part of through transportation under joint barge-rail rates, does not result in violation of the interstate commerce act. The report was by Division 3 of the commission, Commissioners McManamy, Brainerd, and Lee, who held that the barge line has the right to perform the storage as a part of its transportation service in connection with interstate shipments, subject to the requirements of the interstate commerce act, and "is under no obligation to place its charges for storage on a basis which will insure a profit to private warehouses." With the charges of private warehouses, the report says, neither the barge line nor the commission has any concern.

The report follows, in part:

The issues presented concern the lawfulness of the transit arrangements under which sugar originating on the barge line at New Orleans and other Louisiana ports and Mobile, Ala., may be stopped and held in the barge line's warehouses at the ports of Memphis, Birmingham and Holt, and subsequently forwarded by rail to interior destinations beyond those ports on basis of the joint through barge-rail rate from point of origin to final destination, plus an initial transit charge of 25 cents per net ton where the period of detention does not exceed 60 days, with graduated higher transit charges for longer periods of detention up to one year. The transit arrangements at other ports and on other commodities were referred to in the complaints as filed but, as restricted at the hearing and on oral argument, the issues were limited to the propriety of the transit arrangements at the ports above named, in so far as such arrangements include the storage of sugar for the initial 60-day period. The storage practice was alleged to be in violation of sections 1, 2, and 3 of the act.

At the time of the hearing the barge line confined the transit under consideration to its own warehouses on the river bank. It expressed a willingness to extend the application of the transit to independent riverside warehouses at the ports considered. It has since made provision for the storage of like traffic at Memphis in independent warehouses which are located on railroad tracks within the switching limits and which are also on the riverside adjacent to the barge line terminals and connected therewith by ramps, etc., over which hand trucks may be operated. Where the transit is thus allowed at warehouses other than those of the barge line, the latter does not assume any part of the expense of placing shipments in storage or of loading into cars upon reshipment. So far as the record discloses there are no independent riverside warehouses at Birmingham and Holt. Aside from the fact that the warehouses of complainant's members, hereinafter collectively referred to as complainant, are not located on the river bank, their charges for the storage of sugar are much higher than the initial 25-cent transit charge of the barge line, ranging from about \$1.20 to \$1.60 for periods up to 60 days, and under the circumstances transit sugar arriving at the ports via the barge line is not stored in complainant's warehouses. The resulting adverse effect on complainant's business is apparently the consideration which motivates the complaint. However, complainant expressly disclaims that it is asking for any order compelling the barge line to use its warehouses or for any order fixing the barge-line storage charge and bottoms its complaint strictly on the ground that the practice complained of is unlawful in contravention of the provisions of the act. It contends that the barge line, being a common carrier, has no right to engage in the storage business; that even if it may engage in that business it may not law-

fully render storage service free or at less than a reasonable charge; and that the 25-cent transit charge is so low as virtually to amount to free storage, resulting in a concession from the published tariff rate and in discrimination against other traffic.

The barge line estimates that the average labor cost at Memphis of handling sugar from barge to its warehouse and from its warehouse to cars is 15.8 cents in excess of the cost of 40 cents per net ton for handling from barge to car direct. On that basis the 25-cent charge of the barge line for periods up to 60 days does not include more than 9.2 cents for the storage-in-transit service.

The transit tariff provides for a transit service, including storage on its premises, at specified charges, and as these charges apply alike to all shippers availing themselves of the transit arrangement, there is no discrimination as between shippers of this particular commodity.

In the instant case it does not appear: (a) that storing of the sugar in the barge line's warehouses interferes in any way with such of its common carrier functions as are subject to our jurisdiction; (b) that free storage is granted without limitation; or (c) that the total transportation charges for the through barge-rail movement, including the transit charge, is non-compensatory or so low as to unduly prejudice or impose a burden on other traffic.

At the time the instant case was heard, sugar stored in transit by the barge line at Memphis, Birmingham or Holt was accorded the benefit of joint through barge-rail rates which were differentially lower than through all-rail rates. However, in *Sugar via Barge Routes from New Orleans*, 183 I. C. C. 109, decided March 24, 1932, division 2 found that as to such traffic the rail carriers, would be justified in refraining from joining in joint rates with the barge line on any basis lower than the all-rail rates. If as a result of that decision the all-rail rates are made applicable on such traffic the total transportation charges will be materially higher than those in force when this case was heard.

### Additional Hearing on Terminal Services

The Interstate Commerce Commission has announced an additional series of hearings, to be held at Buffalo, N. Y., October 17 and 18, before Director W. P. Bartel of its Bureau of Service, on the subject of terminal services, in connection with the Ex Parte No. 104 investigation.

### Inventory Requirement Waived

As a matter of financial relief to the railroads the Interstate Commerce Commission, on its own initiative, has entered an order waiving for the year 1932 the requirements of valuation orders Nos. 4 and 22, which require steam railroads each year to make inventories of materials and supplies. The orders were entered in 1914 and 1918.

### Joint Barge-Rail Rates on Cotton Authorized

The Interstate Commerce Commission has issued a sixth section permission order authorizing the railways and the Inland Waterways Corporation to make effective on five days' notice the proposed barge-rail rates on cotton from points in Arkansas and Missouri and the Southeast and Mississippi Valley to New Orleans and Mobile.

### Pacific Coast Shippers' Board

The possibility of an increase in car loadings during the fourth quarter of the year was forecast at the meeting of the Pacific Coast Transportation Advisory Board held in Los Angeles, Cal., on September 16, a note of optimism being expressed in reports of 10 industries. The automotive industry and shippers of grain and mill products anticipate shipments equal to last year. An increase of 4 per cent is expected in sugar shipments and 45 per cent in sugar beets.

## Government Ventures in Business Attacked

U. S. Chamber of Commerce Committee emphasizes the unfairness of such activities

A sharp attack on government competition with business is contained in a report of a special committee of the Chamber of Commerce of the United States, made public by the Chamber's board of directors. The Chamber has long opposed any form of government competition, its membership at various times having declared its position. The committee, of which Henry D. Sharpe, of Providence, R. I., is chairman, emphasizes what it calls the unfairness of government competition because of peculiar advantages which the government enjoys as against the private firm or corporation. "The government's operations," says the report, "can be and are carried on without regard to the element of profit or loss, which are unavoidable factors in private business. The government can, and does, furnish the funds which are employed, largely from taxation, without requiring or expecting payment of interest, let alone dividends, out of business. Public property used by the government in business is free from any burden of federal taxation and is removed from taxation by the state, county and town in which it is situated. Allowances for depreciation are usually disregarded."

"It is obvious therefore," the committee goes on, "that in any field of business in which the government chooses to enter, private business will be proportionately eliminated—not by reason of the relative merits of the two forms, but because of the unfair advantages received by the former. In principle, unless our people are prepared in a given field, be it broad or narrow, to have the government do all the business, they should not permit the government to enter that field at all, except in the case of national emergency, and then for the duration only of the emergency."

In an appendix to the report the committee describes some of the activities of the federal government in competition with business, selected to suggest their range and variety. In the body of its report it declares that anything approaching a comprehensive list would run into the hundreds of items. Under the head of transportation the appendix includes the following:

**Repairs to Railroad Equipment:** Both the Army and the Navy own railroad equipment. The Army has 1,164 pieces of such equipment, including 77 locomotives, 55 passenger cars, 233 flat cars, 390 tank cars, etc., and it undertakes the repairs of this equipment with facilities it has acquired and workmen it hires.

**Railroad Transportation:** The government owns considerable railroad equipment, partly for the purpose of obtaining from the railroads allowances on its shipments such as are given to private shippers that furnish their own cars and partly for the purpose of avoiding charges



for demurrage. For 1931 the Quartermaster General of the Army estimated savings from these sources in the amount of \$442,000 on account of the Army's tank cars.

The government also operates several railroads, including a short line in Alabama owned by the Inland Waterways Corporation, the Panama Railroad, which ceased handling commercial shipments across the Isthmus when the Canal was opened, and the Alaska Railroad.

In the Alaska Railroad, which has about 400 miles of track, and has undertaken operation of incidental enterprises, like power plants and hotels, the government has invested approximately \$57,000,000. The revenues have not met the payroll. Reasons ascribed by a Senate investigating committee have included rates for freight and passengers much lower than those of privately owned railroads in Alaska and competition from vehicles operating on a parallel highway built by the government.

The Panama Railroad Company, owned by the United States, has been developed into an agency through which the government operates a steamship line, hotels, stores, electric power business, ranches, etc. The operation of the Canal requires the services of about one-fifth of the employees of the government at the Canal, the others being engaged mostly in the business enterprises which have been named, and other such undertakings. The Railroad Company in 1930 had capital stock of \$7,000,000 and a surplus of \$35,000,000.

**Inland Waterways:** The federal government expends upwards of \$50,000,000 a year in construction, maintenance, and operation of inland waterways, providing without charge facilities for boat lines to utilize in competition with other forms of transportation providing all of their own facilities at their own cost,—i.e., out of the rates they must charge to shippers.

**Barge Lines:** Through a corporation set up for the purpose, and with the Secretary of War as its head and a commissioned officer as its general manager, the government operates barge lines for commercial purposes and in competition with private transportation enterprises both by water and by land. These barge lines engage in ancillary services, such as warehousing, thus competing with private enterprise in that field. If every other objection to this public enterprise were avoided there would remain elements of unfairness.

**Highway Transportation:** Federal funds in large amounts have been used for highway construction which has made possible a great volume of interstate passenger and freight transportation not subjected to regulation comparable to regulation imposed upon older forms of transportation and in substantial part diverted from these forms. During the post-war development of highways upon which federal funds have been used, upwards of 7,000 miles of railway have had to be abandoned, usually with residents along the lines objecting because of loss of service they considered essential.

**Parcel Post:** Since the War, the parcel post has been so extended, largely in

competition with the express companies, that in 1930 the Post Office handled 837,000,000 pieces of parcel post mail, averaging five pounds apiece, and the parcel post was 60.85 per cent of the weight of all mail, although it produced but 22 per cent of postal revenue. For this parcel post business the Post Office Department received \$151,000,000.

In the same year the number of pieces handled by express companies was 162,000,000, for which they received \$132,000,000. After deducting all operating expenses and all items of overhead expense, including interest and taxes, the express companies had a net income of \$105,000. After deducting only operating expenses, the Post Office Department had a deficit of \$15,000,000.

But the true costs to taxpayers of this form of competition are much larger than the reported operating deficits. The increase in the parcel post has required larger quarters for postal operations, and there has been increase in both expenditures for leased quarters and for construction of new buildings. In one city expenditure for rent of \$7,000 in 1920 became later \$120,000 a year. In another city the lease of a garage for postal vehicles, mostly required for parcel post, has been \$23,000 a year. In a large city a parcel post building has been considered necessary, costing \$11,000,000, and a post office garage to cost \$9,500,000.

#### Mid-West Shippers' Board

The twenty-eighth regular meeting of the Mid-West Shippers' Advisory Board will be held at Chicago on October 6. Besides the reports of committees the program will include addresses by A. N. Williams, president of the Belt Railroad of Chicago; Phil Hanna, editor of the Chicago Journal of Commerce; and F. E. Winburn, special representative of the Freight Claims division of the American Railway Association.

#### R. F. C. To Help Finance New Bridge

The Reconstruction Finance Corporation will aid in financing construction of a combined railroad and highway bridge across the Mississippi river near New Orleans. The corporation has agreed to bid for bonds of the state of Louisiana and to purchase bonds of the Public Belt Railroad Commission of the city of New Orleans in amounts sufficient to provide for construction of the bridge, which is estimated to cost \$13,000,000. The bridge will carry a double track railway and two 18-ft. roadways. The railway track will form a part of the New Orleans Public Belt system and the roadways will be a part of the Louisiana state highway system. The State of Louisiana and the Public Belt Railroad Commission of New Orleans, therefore, are co-operating in the construction of it.

#### Rock Island Offers Low Fares on Anniversary

The Chicago, Rock Island & Pacific will offer one cent-a-mile round-trip rates over the entire system on October 8-12, in celebration of the eightieth birthday of the company, which occurs on

October 10, and as a friendly gesture to better times. The low rate will be good on any trains, including the Golden State Limited, and will prevail on parlor and sleeping cars.

The anniversary will be featured by a preview of the Century of Progress exposition at Chicago, family reunions and special shopping days in all towns along the Rock Island lines, arranged under the supervision of local chambers of commerce.

The Rock Island's first train was run between Chicago and Joliet, Ill., on October 10, 1852. This original 40 miles of line grew to 1,288 miles in 1872, to 3,507 miles in 1892, to 7,100 miles in 1912 and to 8,353 miles in 1932.

#### Southeast Shippers' Board

The Southeast Shippers' Advisory Board held its regular meeting at Atlanta, Ga., on September 22. The meeting was pervaded by an unmistakable note of optimism and confidence. The aggregate loadings for the coming three months are expected to be seven per cent less than a year ago. Brick and clay products and coal and coke are expected to increase slightly; also cotton shipments 10 to 15 per cent, and textiles 5 per cent. Materials for highway construction are expected to be 20 per cent heavier than last year. Other increases expected are, sweet potatoes 30 per cent, and other agricultural products an indefinite percentage.

Fertilizer shipments are expected to be 25 per cent less than in the last quarter of 1931; furniture 20 per cent less, and iron and steel 20 per cent. In lumber and forest products some increase is expected, but naval stores are expected to fall off 15 per cent and petroleum 6 per cent.

#### Forty-Hour Week Recommended

To relieve the unemployment situation by restricting the hours of work for each person employed to not more than 40 each week, during the present emergency, is the object of a resolution by the board of directors of the Chamber of Commerce of the United States, adopted on September 24. The chamber's special committee on working periods in industry recommended this action; and at the same time let it be known that it would call upon industrial, commercial and other employers to join the movement by spreading work in offices, stores, banks, plants and other places of business on a 40-hour week basis. The committee did not recommend at this time any specific method or methods of spreading work in existing business, but it recommended that the board authorize immediate collection and dissemination of information on plans which have been successfully followed in distributing work.

The board made its recommendation after Henry I. Harriman, president of the chamber, had called at the White House for suggestions from President Hoover. It was stated that the President had told him that he would appreciate anything that could be done to spread employment, stimulate purchases by the railroads, and any other help that could be

extended in bringing about general business improvement.

### Low-Rate Night Trains on New Haven

The New York, New Haven & Hartford inaugurated on September 26 a new reduced fare of \$5 between New York and Boston, Mass., in each direction, the tickets being good only on the 12:10 a.m. train from Boston, and on the 12:45 a.m. train from New York, which will be known as the "Economy Night Expresses," and which will have day coaches only. The rate represents a saving of \$3.26 under the regular ticket.

"It is felt," says the statement issued by the railroad, "that this new low rate service will appeal to business men, salesmen and travelers who find it necessary to keep their expense to a minimum, and yet who do not wish to experience the hazards of travel by night over congested highways."

"This new low fare for travel in comfortable coaches together with the late departure and early arrival times we believe has numerous advantages over a trip either by motor coach or private automobiles."

The new rate applies also between New York and Providence, R. I., and is \$1.68 less than the regular fare.

### Club Meetings

The first of the 1932 Fall luncheons of the Traffic Club of St. Louis, designated M-K-T Day, will be held at the Hotel Jefferson in that city on October 3. M. H. Cahill, president of the Katy, and other officers of that road will attend.

The Northwest Car Men's Association (St. Paul) will hold its October meeting on Monday, the third, at the Young Men's Christian Association, Minnesota Trans-

fer. O. W. Galloway of the Pillsbury Flour Mills will present a paper on flour loadings. The election of officers will be held at this meeting. The regular date for the meeting of this association is now the first Monday of each month.

The Car Foremen's Association of Chicago will hold its next meeting on Monday evening, October 10, at the Auditorium Hotel, Chicago. This will be the election of officers and the annual entertainment.

The Railway Club of Pittsburgh (Pa.) will hold its next meeting on Thursday evening, October 27, at the Fort Pitt Hotel, Pittsburgh. This will be the annual meeting and entertainment, with election of officers.

### Harrisburg, Pa., Employees Organize

Railroad employees at Harrisburg, Pa., have organized a local unit of the Railroad Employees and Taxpayers Association, the purpose of which is to work for legislation to equalize competitive conditions between the railways and other forms of transport, thus protecting railway employment. John R. Garverick, general chairman of miscellaneous forces of the Pennsylvania, is president of the new association and the following additional officers have been elected:

Vice-presidents, N. H. Leavy, general chairman of the order of Railway Conductors, Reading; George Keller, chairman of the Brotherhood of Railroad Trainmen, Pennsylvania; James R. Wilson, chairman of the Brotherhood of Railroad Trainmen, Pennsylvania; William R. Hamm, general chairman of the Brotherhood of Locomotive Engineers, Reading; Clarence Stees, chairman of the Brotherhood of Locomotive Firemen and Engineers, Reading; secretary-

treasurer, John F. Adams, chairman of the Shop Crafts Association, Pennsylvania.

### Hearing on Railroad Practices Reopened

The Interstate Commerce Commission's investigation of Railroad Practices Affecting Operating Revenues and Expenses, Ex Parte 104, Part 2, was reopened at Chicago on September 20, after several months' recess, W. P. Bartel, director of the Bureau of Service, being in charge. Hearings in the investigation were held last year in Boston, Mass., Pittsburgh, Pa., Buffalo, N. Y., New York, Detroit, Mich., Cincinnati, Ohio, and Chicago. The present hearings will soon be adjourned to Detroit.

Shippers and railroad representatives are being called upon to explain the switching practices and allowances prevailing at the plants of the industries. Among the companies questioned were the National Malleable & Steel Castings Company, the General American Tank Car Corporation, the Moulding-Brownell Corporation, the Illinois Central, the Chicago & North Western, the Standard Oil Company, the A. E. Staley Company, the Aluminum Ore Company, the Studebaker Corporation, the Chicago District Electric Generating Company and the Metal & Thermit Company.

### P.R.R. Stimulates Employee-Interest in Government

Employees of the Pennsylvania are being urged by the management to interest themselves in the expenditures and activities of their respective local governments. A statement issued on September 23 points out that the Pennsylvania, (Continued on page 485)

### When the 5:15 Stops Running

Every time the Montana Railroad Commission, or any other similar body in any other state, grants a license for a bus or truck line paralleling the existing lines of railroad, a step has been taken to silence forever the whistle of the 5:15.

And do people realize what it means to put the railroads out of business?

There are counties in Montana where the railroads pay all the way from 15 per cent of the taxes to as high as 80 per cent. Over in Western Montana the Counties of Mineral and Sanders simply could not function without the taxes of the railroads. Yet year after year we see bus lines and great truck freight carriers eating into the business of the railroads. All over America 5:15's are going. They are being licked, but some day we will wake up to our folly.

\* \* \*

The idea of granting a license to a bus and freight line from Butte to Browning by way of Helena and Great Falls simply means that in a few years the Great Northern line from Great Falls to Butte will be practically aban-

doned. There are changes contemplated now which will greatly reduce the train service. A gas car may be the only service soon between Great Falls and Helena, perhaps between Great Falls and Butte. The next step will be the abandonment of the road for passenger service.

Then how the counties will jump, and how the office holders and taxpayers will yell! Communities are beginning to appreciate the railroads when they are taken from them.

\* \* \*

The Milwaukee road cut a short branch line out of service the other day. It ran up to a little county seat in Wisconsin. The railroad is prepared to abandon it entirely. Then it was that some politicians realized that the branch road, which everyone scorned and which the politicians helped out of business in favor of the bus lines and freight trucks owned by their friends, was the largest source of school taxes. The county seat is now shrieking for help. The last train has made its last trip—the 5:15 has whistled for the last time, and the county

seat is left to the glories and vagaries of the beautiful new highway which the people built for their bus and truck line.

\* \* \*

Down in New Zealand and over in Australia, where the government owns the railroads, a drastic step was taken last December. In Australia the premier simply refused to permit the granting of licenses for bus and truck lines, while in New Zealand there has never been granted and there never will be for a good many years a license to operate a bus line in competition with the government-owned railroads.

We do not own the railroads in the United States—praised be Allah!—but we are dependent on them, in more ways than one. This editorial simply points out what is going to happen to the revenues of Montana, what is going to happen to the county incomes and the funds of our schools, when the whistles of the locomotives are still. Just stop and think, where will we be when the 5:15 runs no more down the long line of shimmering steel?

—Reprinted from the Helena (Mont.) Independent.



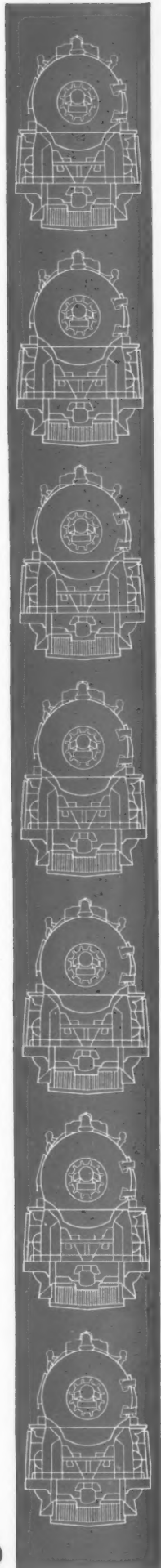
# A MODERN MOTIVE POWER POLICY *is a* **basic necessity!**

"During the past five or six years many locomotives less than twenty years of age have been replaced by modern motive power with operating economies which return the investment in from four to ten years."

—RAILWAY AGE EDITORIAL

Lima has had many instances that bear out the above statement. Super-Power Locomotives justify their purchase by their increased earning power.

**LIMA LOCOMOTIVE WORKS, Incorporated LIMA, OHIO**



## Operating Statistics of Large Steam Railways—Selected Items for the Month of July, 1932,

Region, road and year	Average miles of road operated	Train-miles	Locomotive-miles		Car-miles		Ton-miles (thousands)		Average number of locomotives on line				
			Principal and helper	Light	Loaded (thousands)	Per cent loaded	Gross, Excluding locomotives and tenders	Net, Revenue and non-revenue	Servicable	Un-servicable	Per cent unservicable	Stored	
New England Region:													
Boston & Albany.....	1932	402	105,910	110,679	6,899	2,789	65.6	146,313	47,484	70	50	41.9	24
	1931	402	137,313	143,742	11,842	3,824	65.8	198,553	66,014	86	44	33.8	32
Boston & Maine.....	1932	2,062	236,582	262,756	21,521	7,265	67.9	379,055	133,901	145	144	49.9	37
	1931	2,066	305,424	346,550	33,518	9,968	68.4	512,335	184,491	193	98	33.6	26
N. Y., New H. & Hart.....	1932	2,056	323,668	377,603	19,106	9,275	62.7	505,009	170,421	209	140	40.1	7
	1931	2,069	446,892	523,125	30,322	13,935	63.0	762,301	274,738	246	98	28.5	22
Great Lakes Region:													
Delaware & Hudson.....	1932	848	201,194	251,917	22,266	5,636	59.8	351,123	155,181	250	26	9.3	161
	1931	876	245,070	316,036	33,996	7,576	60.1	473,029	210,115	240	30	11.2	124
Del., Lack. & Western.....	1932	998	296,683	323,822	39,909	8,974	66.3	513,413	201,266	221	56	20.2	85
	1931	998	382,667	422,947	47,888	12,284	66.2	694,196	272,505	212	58	21.5	43
Erie (inc. Chi. & Erie).....	1932	2,316	649,260	681,888	42,111	25,347	59.7	1,586,872	534,570	366	133	26.7	146
	1931	2,316	733,023	762,933	55,896	31,689	59.4	1,958,393	687,798	388	104	21.2	110
Grand Trunk Western.....	1932	1,023	167,542	168,720	1,000	3,628	58.4	219,928	69,539	94	57	38.0	34
	1931	1,022	219,485	221,708	2,033	5,468	57.7	331,181	111,443	116	36	23.7	39
Lehigh Valley.....	1932	1,343	299,764	309,414	23,129	8,907	62.9	532,645	203,505	200	153	43.3	57
	1931	1,343	415,375	436,795	39,071	12,145	63.1	737,731	299,850	219	144	39.8	49
Michigan Central.....	1932	2,115	308,169	308,395	7,097	8,617	60.5	494,542	155,090	132	70	34.6	49
	1931	1,869	389,011	389,916	9,403	11,981	58.8	702,480	224,612	152	62	29.0	54
New York Central.....	1932	6,225	1,175,577	1,240,956	66,807	40,473	60.3	2,425,153	915,138	600	693	53.6	117
	1931	6,423	1,617,120	1,743,438	101,019	59,089	60.8	3,649,395	1,477,598	850	521	38.0	265
New York, Chi. & St. L.....	1932	1,661	402,261	419,931	4,863	11,834	60.6	687,306	226,578	146	95	39.6	53
	1931	1,660	467,257	483,933	2,521	14,905	60.3	874,535	301,316	177	68	27.8	64
Pere Marquette.....	1932	2,286	252,847	258,477	3,430	5,207	59.6	327,794	122,466	128	44	25.7	35
	1931	2,242	317,001	321,139	3,957	7,260	59.6	455,341	176,737	146	30	17.0	39
Pitts. & Lake Erie.....	1932	235	46,416	47,829	1,738	1,831	55.5	155,311	84,643	37	48	56.5	17
	1931	235	80,232	81,681	1,047	3,003	59.7	251,296	143,479	58	20	25.6	31
Wabash.....	1932	2,497	494,492	508,938	10,376	14,186	62.1	822,991	253,985	211	164	43.7	42
	1931	2,497	679,399	718,119	13,000	20,109	60.7	1,201,461	393,451	285	133	31.8	61
Central Eastern Region:													
Baltimore & Ohio.....	1932	6,277	1,131,866	1,287,767	127,967	29,829	59.1	1,977,564	819,173	822	541	39.7	280
	1931	6,285	1,512,769	1,750,710	195,482	45,127	59.4	3,046,857	1,326,276	1,054	325	23.6	331
Big Four Lines.....	1932	2,790	494,946	510,875	12,751	13,510	60.8	841,231	355,864	251	165	39.6	61
	1931	2,721	618,635	640,329	18,821	18,429	59.4	1,176,875	510,334	282	153	35.2	52
Central of New Jersey.....	1932	692	126,061	137,788	19,189	3,664	55.4	253,573	112,450	118	60	33.9	59
	1931	692	183,758	198,380	29,857	5,124	56.0	344,055	147,211	138	46	25.1	56
Chicago & Eastern Ill.....	1932	939	151,142	151,261	3,142	2,745	63.5	170,622	70,727	89	74	45.5	45
	1931	939	182,335	182,458	2,444	4,382	58.5	271,931	103,680	91	69	43.0	42
Elgin, Joliet & Eastern.....	1932	447	54,810	54,870	737	1,173	56.9	89,466	41,421	81	9	9.7	41
	1931	447	88,493	91,320	2,246	2,094	58.3	163,957	79,869	82	9	10.4	22
Long Island.....	1932	396	26,127	27,188	11,423	276	52.5	21,521	7,577	40	9	19.2	12
	1931	400	43,848	46,299	12,125	453	51.9	33,671	13,214	44	4	8.3	4
Pennsylvania System.....	1932	10,528	2,278,574	2,515,835	237,315	74,962	61.2	4,918,759	2,040,644	2,079	441	17.5	1,056
	1931	10,628	3,233,288	3,635,119	363,070	111,070	61.7	7,325,035	3,146,228	2,252	274	10.8	860
Reading.....	1932	1,453	325,720	349,521	34,560	8,533	59.1	597,658	273,891	287	112	28.1	127
	1931	1,451	477,068	516,940	46,758	12,748	57.6	929,615	424,959	315	73	18.8	80
Pocahontas Region:													
Chesapeake & Ohio.....	1932	3,136	665,949	692,303	20,298	26,410	56.4	2,226,422	1,204,825	551	117	17.5	300
	1931	3,110	972,351	1,018,373	35,230	38,108	54.6	3,268,703	1,757,203	618	82	11.7	274
Norfolk & Western.....	1932	2,258	476,669	491,097	20,062	16,534	59.9	1,332,558	696,570	429	60	12.2	225
	1931	2,272	687,580	733,642	30,671	24,439	57.4	2,051,107	1,062,740	451	37	7.6	147
Southern Region:													
Atlantic Coast Line.....	1932	5,144	466,223	468,042	6,530	7,849	62.6	426,205	150,936	376	96	20.3	132
	1931	5,163	585,918	590,831	8,421	11,808	58.7	660,374	220,721	395	82	17.3	86
Central of Georgia.....	1932	1,900	187,097	188,536	2,954	3,737	65.2	202,362	70,718	91	52	36.3	3
	1931	1,900	295,896	297,344	6,599	6,446	63.3	358,875	120,969	112	33	22.5	...
Ill. Cent. (inc. Y. & M. V.).....	1932	6,658	1,137,290	1,147,774	19,889	25,282	59.5	1,651,214	647,017	707	243	25.6	75
	1931	6,670	1,533,612	1,544,664	25,066	35,399	59.0	2,359,450	887,057	718	191	21.0	41
Louisville & Nashville.....	1932	5,263	782,504	828,118	16,079	15,419	58.7	1,052,750	480,686	428	285	39.9	187
	1931	5,263	1,174,620	1,246,641	32,955	25,491	58.1	1,751,984	796,946	521	180	25.7	128
Seaboard Air Line.....	1932	4,405	381,982	388,637	3,227	7,419	60.2	422,759	141,737	251	35	12.2	70
	1931	4,466	512,298	523,388	5,057	11,669	59.3	681,166	239,589	255	28	9.9	37
Southern.....	1932	6,668	922,757	929,097	14,224	19,463	65.9	1,030,980	360,588	738	223	23.2	250
	1931	6,675	1,269,240	1,283,407	23,092	30,466	63.5	1,661,955	600,357	803	169	17.4	217
Northwestern Region:													
Chi. & North Western.....	1932	8,443	820,979	855,311	17,969	18,587	60.9	1,110,152	353,010	637	170	21.1	296
	1931	8,459	1,152,072	1,207,207	29,430	29,217	61.2	1,786,472	642,559	673	117	14.8	144
Chi. Gt. Western.....	1932	1,448	168,250	168,250	12,387	5,266	58.8	323,290	110,565	66	48	41.9	10
	1931	1,459	272,377	272,474	33,505	8,736	60.5	565,149	234,713	99	16	14.0	6
Chi., Milw., St. P. & Pac.....	1932	11,246	1,049,326	1,097,088	49,599	24,528	59.1	1,560,511	593,259	752	156	17.2	396
	1931	11,299	1,402,625	1,491,699	85,934	36,440	60.5	2,282,740	900,090	781	142	15.3	306
Chi., St. P., Minn. & Om.....	1932	1,714	202,279	208,740	8,807	3,638	64.8	216,086	84,480	139	31	18.0	72
	1931	1,714	249,586	271,433	13,046	5,136	64.4	299,281	119,313	151	23	13.0	57
Great Northern.....	1932	8,432	568,123	570,743	15,011	13,647	61.6	862,592	337,419	468	145	23.6	148
	1931	8,365	668,492	673,504	19,940	21,047	63.2	1,363,631	616,584	498	143	22.3	139
Minn., St. P. & S. St. M.....	1932	4,325	335,653	338,302	1,627	5,855	60.9	338,850	128,609	142	53	27.4	17
	1931	4,356	369,871	375,249	3,908	8,074	63.1	461,944	186,754	159	68	29.8	26
Northern Pacific.....													



October 1, 1932  
**Compared with July, 1931, for Roads with Annual Operating Revenues Above \$25,000,000**

RAILWAY AGE

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Region, road and year	Average number of freight cars on line			Per cent un-serv-ice-able	Gross ton-miles per train-hour, ex-cluding locomotives and tenders	Gross ton-miles per train-mile, ex-cluding locomotives and tenders	Net ton-miles per train-mile	Net ton-miles per loaded car-mile	Net ton-miles per car-day	Car-miles per car-day	Net ton-miles per mile of road per day	Pounds of coal per 1,000 gross ton-miles, including locomotives and tenders	Loco-motive-miles per loco-motive-day
	Home	Foreign	Total										
New England Region:													
Boston & Albany.....1932	4,385	2,394	6,779	32.7	22,175	1,381	448	17.0	226	20.2	3,813	150	31.6
1931	3,557	2,957	6,514	12.4	22,317	1,446	481	17.3	327	28.8	5,300	145	38.6
Boston & Maine.....1932	11,367	6,090	17,457	15.3	22,220	1,615	571	18.4	250	19.9	2,113	102	31.7
1931	10,901	7,868	18,769	10.3	21,830	1,674	604	18.5	317	25.1	2,881	103	42.1
N. Y., New H. & Hart..1932	16,414	8,646	25,060	7.9	24,010	1,560	527	18.4	219	19.0	2,674	106	36.7
1931	14,903	12,719	27,622	4.5	24,570	1,706	615	19.7	321	25.8	4,284	100	51.9
Great Lakes Region:													
Delaware & Hudson....1932	12,916	2,173	15,089	3.4	24,727	1,745	771	27.5	332	20.2	5,902	118	32.0
1931	11,683	3,567	15,250	3.6	25,188	1,930	857	27.7	444	26.7	7,740	117	41.7
Del., Lack. & Western..1932	20,229	2,986	23,215	7.9	25,247	1,731	678	22.4	280	18.8	6,504	115	42.4
1931	18,978	4,384	23,362	6.6	25,244	1,814	712	22.2	376	25.6	8,807	124	56.3
Eric (inc. Chi. & Erie)..1932	36,757	10,420	47,177	4.4	40,463	2,444	823	21.1	366	29.0	7,446	92	46.8
1931	35,447	12,863	48,310	4.3	39,597	2,672	938	21.7	459	35.6	9,581	92	53.7
Grand Trunk Western....1932	5,335	6,783	12,118	13.0	24,556	1,313	415	19.2	185	16.5	2,193	101	36.3
1931	5,089	8,035	13,124	9.7	24,359	1,509	508	20.4	274	23.3	3,519	96	47.6
Lehigh Valley.....1932	23,213	3,735	26,948	15.0	30,166	1,777	679	22.8	244	16.9	4,887	120	30.4
1931	22,259	5,142	27,401	9.7	29,341	1,776	722	24.7	353	22.6	7,203	125	42.3
Michigan Central.....1932	24,622	15,005	39,627	7.1	30,080	1,605	503	18.0	126	11.6	2,365	107	50.4
1931	24,203	16,098	40,301	6.6	33,453	1,806	577	18.7	180	16.3	3,877	99	60.4
New York Central.....1932	87,312	57,350	144,662	14.5	32,703	2,063	778	22.6	204	15.0	4,742	96	32.6
1931	78,694	63,976	142,670	10.9	33,090	2,257	914	25.0	334	22.0	7,421	93	43.4
New York, Chi. & St. L..1932	16,172	5,757	21,929	12.6	29,755	1,704	562	19.1	333	28.7	4,402	93	56.9
1931	15,989	7,521	23,510	9.8	30,020	1,872	645	20.2	413	33.9	5,855	93	63.9
Pere Marquette.....1932	14,351	3,175	17,526	3.5	22,017	1,296	484	23.5	225	16.1	1,728	88	49.1
1931	12,403	4,387	16,790	3.6	21,693	1,436	558	24.3	340	23.4	2,543	87	59.8
Pitts. & Lake Erie.....1932	18,443	6,222	24,665	29.7	41,999	3,346	1,824	46.2	111	4.3	11,610	97	18.7
1931	20,257	4,569	24,826	9.3	40,214	3,132	1,788	47.8	186	6.5	19,693	90	34.3
Wabash.....1932	19,452	6,547	25,999	8.7	3,526	1,664	514	17.9	315	28.3	3,282	96	44.7
1931	20,684	9,074	29,758	8.1	33,902	1,768	579	19.6	427	35.9	5,084	101	56.4
Central Eastern Region:													
Baltimore & Ohio.....1932	99,285	13,283	112,568	12.3	23,716	1,747	724	27.5	235	14.5	4,210	143	33.5
1931	94,895	20,089	114,984	8.8	25,820	2,014	877	29.4	372	21.3	6,808	131	45.5
Big Four Lines.....1932	23,796	15,455	39,251	15.4	29,652	1,700	719	26.3	292	18.3	4,114	106	40.6
1931	24,771	21,809	46,580	6.8	30,894	1,902	825	27.7	353	21.5	6,051	102	48.8
Central of New Jersey...1932	18,347	5,358	23,705	22.3	25,616	2,012	892	30.7	153	9.0	5,240	135	28.4
1931	17,126	7,632	24,758	12.8	24,289	1,872	801	28.7	192	11.9	6,860	131	40.0
Chicago & Eastern Ill....1932	6,342	1,815	8,157	14.8	19,607	1,129	468	25.8	280	17.1	2,430	124	30.6
1931	6,005	2,954	8,959	9.6	25,827	1,491	569	23.7	373	27.0	3,562	111	37.3
Elgin, Joliet & Eastern..1932	9,675	3,815	13,490	9.7	14,595	1,632	756	35.3	99	4.9	2,989	115	19.9
1931	9,316	3,771	13,087	5.3	15,994	1,853	903	38.1	197	8.9	5,763	113	33.2
Long Island.....1932	791	3,004	3,795	9.9	5,888	824	290	27.5	64	4.5	617	301	25.4
1931	792	4,552	5,344	8.8	6,498	768	301	29.2	80	5.3	1,065	298	39.3
Pennsylvania System....1932	252,911	44,143	297,054	7.2	31,033	2,159	896	27.2	222	13.3	6,253	117	35.2
1931	240,487	59,035	299,522	5.8	31,359	2,266	973	28.3	339	19.4	9,549	112	51.1
Reading.....1932	40,061	5,947	46,008	10.2	22,650	1,835	841	32.1	192	10.1	6,079	138	31.1
1931	37,346	10,317	47,663	4.6	23,544	1,949	891	33.3	288	15.0	9,447	127	46.8
Pocahontas Region:													
Chesapeake & Ohio.....1932	49,943	6,849	56,792	2.7	47,249	3,343	1,809	45.6	684	26.6	12,395	69	34.4
1931	48,009	9,056	57,065	3.0	45,416	3,362	1,807	46.1	993	39.5	18,225	70	48.5
Norfolk & Western.....1932	42,389	3,573	45,962	3.3	42,987	2,796	1,461	42.1	489	19.4	9,950	104	33.7
1931	37,548	5,298	42,846	9.9	43,223	2,983	1,546	43.5	800	32.0	15,089	102	50.5
Southern Region:													
Atlantic Coast Line.....1932	27,227	3,483	30,710	12.1	16,869	914	324	19.2	159	13.2	946	125	32.4
1931	24,436	4,867	29,303	7.5	19,365	1,127	377	18.7	243	22.2	1,379	113	40.5
Central of Georgia.....1932	7,586	2,061	9,647	20.9	19,548	1,082	378	18.9	236	19.2	1,201	125	43.2
1931	7,264	4,044	11,308	13.5	18,842	1,213	409	18.8	345	29.0	2,054	122	67.6
Ill. Cent. (inc. Y. & M. V.)1932	56,011	11,555	67,566	18.5	24,621	1,452	569	25.6	309	20.3	4,135	122	39.7
1931	52,436	14,173	66,609	10.8	24,692	1,538	578	25.1	430	29.0	4,290	125	55.7
Louisville & Nashville....1932	54,684	6,063	60,747	18.4	21,014	1,345	614	31.2	255	13.9	2,946	134	38.2
1931	50,169	8,391	58,560	13.7	22,502	1,492	678	31.3	439	24.2	4,884	131	58.9
Seaboard Air Line.....1932	15,467	3,197	18,664	8.7	18,299	1,107	371	19.1	245	21.3	1,038	123	44.2
1931	16,732	4,571	21,303	10.5	19,669	1,330	468	20.5	363	29.8	1,731	122	60.2
Southern.....1932	56,843	7,400	64,243	14.6	19,276	1,117	391	18.5	181	14.8	1,745	141	31.7
1931	55,035	11,425	66,460	13.6	21,009	1,309	473	19.7	291	23.3	2,901	140	43.4
Northwestern Region:													
Chi. & North Western...1932	46,779	15,232	62,011	8.1	20,420	1,352	430	19.0	184	15.9	1,349	119	34.9
1931	45,012	20,124	65,136	8.2	22,060	1,551	558	22.0	318	23.6	2,451	114	50.5
Chi. Gt. Western.....1932	5,195	2,975	8,170	12.5	33,195	1,921	657	21.0	437	35.3	2,463	119	51.3
1931	4,220	4,347	8,567	8.3	32,757	2,075	862	26.9	884	54.3	5,189	109	85.5
Chi., Milw., St. P. & Pac.1932	64,895	10,830	75,725	4.1	23,248	1,487	565	24.2	253	17.7	1,702	115	40.7
1931	60,322	14,345	74,667	2.5	24,021	1,627	642	24.7	389	26.0	2,570	111	55.2
Chi., St. P., Minn. & Om.1932	2,341	7,099	9,440	8.6	15,653	1,068	418	23.2	289	19.2	1,590	115	41.3
1931	2,208	8,127	10,335	7.9	17,164	1,199	477	23.2	372	24.9	2,242	107	52.9
Great Northern.....1932	44,975	6,761	51,736	6.1	23,838	1,518	594	24.7	210	13.8	1,291	120	30.9
1931	43,864	7,120	50,984	5.7	29,547	2,040	922	29.3	390	21.1	2,378	108	34.9
Minn., St. P. & S. St. M.1932	21,262	2,436	23,698	4.1	16,444	1,010	383	22.0	175	13.1	959	104	56.2
1931	20,882	3,474	24,356	3.8	18,315	1,249	505	23.1	248	17.0	1,383	97	53.9
Northern Pacific.....1932	44,035	3,623	47,658	11.0	25,412	1,500	487	20.5	186	14.0	1,383	140	39.2
1931	41,927	4,882	46,809	10.4	24,750	1,533	557	21.6	26				

# BOOSTERS

1

## THE BOOSTER SPEEDS THE LIMITED

The finest passenger trains are now made up of 12 to 14 steel cars and are hauled by Booster-equipped locomotives. Booster power gives an easy start and quick acceleration to road speed. It prevents delays when signal stops might otherwise prove difficult. It has been a valuable helper in these days of less train units at lower cost.

2

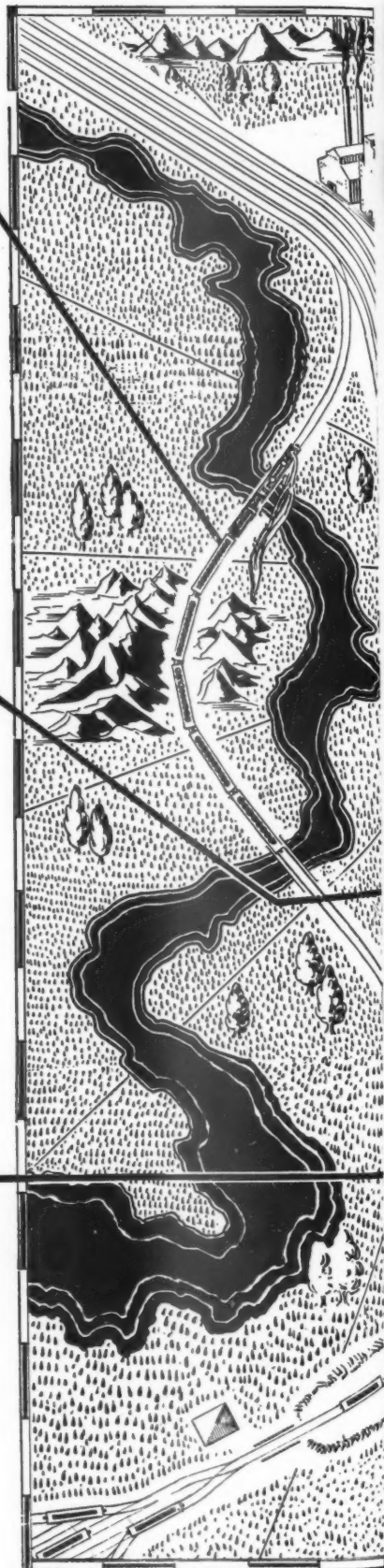
## THE BOOSTER MAINTAINS LOCAL SCHEDULES

Fast local runs call for numerous stops and frequent use of The Booster to start again easily, accelerate to road speed quickly and thus maintain exacting schedules.

3

## THE BOOSTER MEANS MORE TONS TO A TRAIN

When thousands of tons of coal are moved in a single train, the power of The Booster makes it possible to add several hundred more tons to the load that can be started. *and starting is the limiting factor.*



# FRANKLIN RAILWAY SUPPLY



# AT WORK

4

## THE BOOSTER KEEPS PERISHABLES MOVING ON SCHEDULE

Speed is the essence of moving perishables economically. Booster locomotives eliminate delays on the road and keep perishables moving swiftly to their destination, reducing spoilage and delay claims.

5

## BOOSTER SWITCHERS HANDLE FULL TRAIN LOADS

Yard operating economy calls for swift handling of the heavy trains that Super-Power locomotives bring into the yards. Booster-equipped switchers can handle the heavy loads without a cut. They are a necessary supplement to Booster road engines.

6

## BOOSTERS SPEED HUMP YARD OPERATIONS

To "hump" a full train of cars calls for maximum power at slow speeds. Hump engines with two Reversible Boosters speed classification and eliminate the need of helpers.

**COMPANY, INC.** ♦ NEW YORK - CHICAGO - MONTREAL

## NEWS

(Continued from page 482)

which last year paid nearly \$33,000,000 in taxes, is one of the largest taxpayers in the country and also reveals that with their next pay check P. R. R. employees will receive the following suggestion:

"It will be to your benefit to interest yourself in the expenditures of your local government. Taxes have become a heavy burden upon the ownership of property. If you rent a house you pay a portion of the owner's taxes, the same as you would if you owned a home. Federal, state and local taxes now are 25 per cent of the national income. Some of the expenses of government are produced by extravagance and some by the demands of the people, or organized portions of them for special services. They have grown to such an extent that all governments are expending money for purposes which you, as an individual taxpayer, would not incur if you had to pay directly from your own pocket. Reduction in governmental expenditures can only be brought about by an aroused public opinion.

"Interest yourself in these matters for your own benefit and benefit of the public generally."

### Accidents at Grade Crossings

Reports for the first six months in 1932, compared with the same period last year, received by the Safety Section, American Railway Association, showed reductions, not only in the number of accidents at railroad crossings, but also in the number of casualties resulting therefrom. There was, however, an increase in the number of fatalities for the month of June compared with the same month last year but a reduction in the number of accidents and the number injured.

Accidents at highway grade crossings totaled 1,697 for the first six months period, a reduction of 417 compared with the same period in 1931. Fatalities resulting from such accidents totaled 751 in the first six months of 1932, a reduction of 170 compared with the same period in 1931, while persons injured so far in 1932 totaled 1,873, a reduction of 530 compared with the year before.

For the month of June alone, there were 201 accidents at railroad highway grade crossings, a reduction of 74 under June, 1931, while 116 fatalities were reported as caused by those accidents, an increase of 23 compared with the number for June, 1931. Persons injured in railroad highway grade crossing accidents in June, 1932, totaled 199, compared with 303 in the same month the preceding year.

### Transport Problems Result of Subsidies

(Continued from page 479)

basis of registration fees for private automobiles, and another for commercial vehicles, which should represent their proportionate shares of the cost of construction and maintenance of the highways; also, weight and size requirements should be made uniform. Furthermore, Mr. Pelley said, reciprocity of registration between states should be denied motor trucks as it is now denied buses carrying passengers for hire; and highway carriers should be regulated as to hours of service of employees.

"The transportation problem of today is the result of an orgy of subsidized transportation," he concluded. "Our national system of transport cannot continue to function with progressive efficiency, part subsidized and part self-sustaining. Either all transportation must be subsidized or it all must be self-sustaining. In no other way can we determine the economic efficiency of the various forms of transportation.

"There is no doubt as to the outcome. This country cannot continue to pour in hundreds of millions of dollars each year to subsidize transportation. The people are beginning to understand the solution which our transportation problem requires. There is growing public demand that there shall be an end to subsidized transportation.

"When the end of subsidized transportation has become an accomplished fact, there will be a co-ordination of transportation agencies that is not now possible; much of the existing transportation waste will be eliminated; and a complete co-ordinated transportation

service will be provided that will be more efficient and more economical than any service this country has ever enjoyed."

### Transport Building Dedicated

The Travel and Transport building of the Century of Progress Exposition, which will be held in Chicago in 1933, was formally dedicated on September 21 under the auspices of the Traffic Club of Chicago. Charles Donnelly, president of the Great Northern, delivered the dedication address.

At a meeting of representatives of the railroads held on the morning of the same day, plans for railroad exhibits were discussed. While no definite decisions have been made by those contracting for space, consideration has been given to the possibility of showing modern and historic electric and steam locomotives and passenger cars and portraying the evolution of railroad transportation through exhibits and dioramas.

Among the railroads and supply companies which have contracted for space in the building are the following:

Baltimore & Ohio  
Chesapeake & Ohio  
Pere Marquette  
New York, Chicago & St. Louis  
Erie  
Chicago, Burlington & Quincy  
Northern Pacific  
Great Northern  
Colorado & Southern  
Ft. Worth & Denver City  
Spokane, Portland & Seattle  
Chicago & North Western  
Chicago, Milwaukee, St. Paul & Pacific  
Chicago, Rock Island & Pacific  
Illinois Central  
New York Central  
Pennsylvania  
Pullman Company  
Railway Express Agency, Inc.  
Ahlberg Bearing Company  
American Steel Foundries  
General American Tank Car Company  
Timken Roller Bearing Company  
Union Switch & Signal Company  
Westinghouse Air Brake Company

### Fire Protection Association Meeting

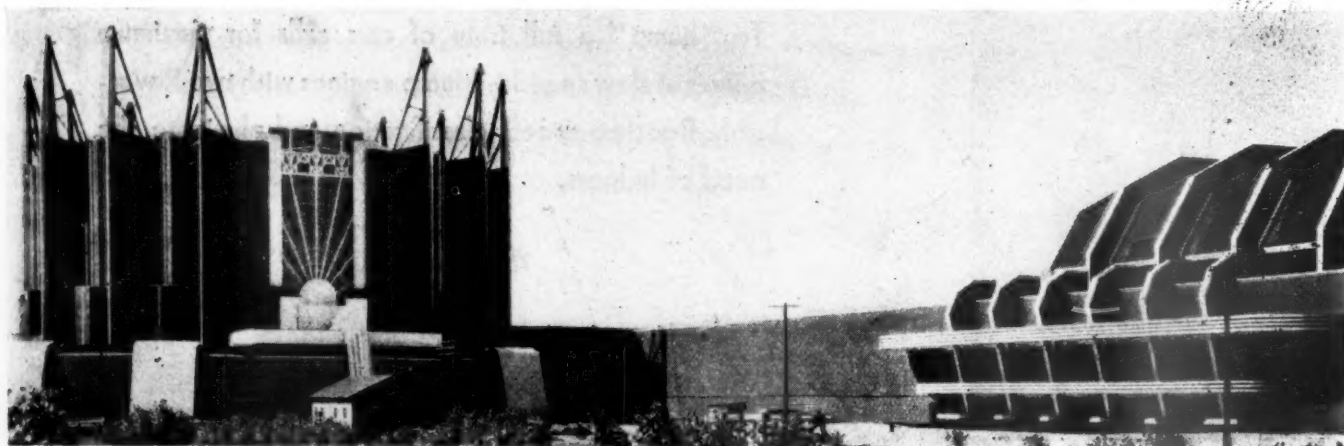
The Railway Fire Protection Association will hold its annual meeting at Cleveland, Ohio, on October 18 and 19, the following program having been arranged:

Morning Session, October 18

Opening exercises.

Address by L. C. Probert, assistant to president, Chesapeake & Ohio, and vice-president, Pere Marquette

Address by T. Alfred Fleming, supervisor, Conservation department, National Board of Fire Underwriters



Travel and Transport Building

Continued on next left-hand page



THERE'S MORE TO SECURITY  
ARCHES THAN JUST BRICK



# Arches Are Worked Harder Than Ever Before

Where locomotives once plugged along at 15 miles per hour they now speed at 50.

Where 100 miles was one time a district and the end of a day, the locomotive makes 500 miles and then turns around and runs back.

These operating improvements are fine for railroad economy but they are tough on the locomotive arch.

Today the Arch makes its mileage in much shorter time than it did a few years ago, and under far more severe conditions.

Everything considered, Arch Brick render better service today than they ever did—a tribute to the constant efforts of the American Arch Company in developing the locomotive Arch.

**HARBISON-WALKER  
REFRACTORIES CO.**  
*Refractory Specialists*



**AMERICAN ARCH CO.**  
INCORPORATED  
*Locomotive Combustion  
Specialists*

### Reports of Executive, Auditing and Statistical Committees

Round table luncheon  
Afternoon Session  
Demonstration of refrigerant  
Reports of committees assigned to the following subjects:  
Slow Melting Oil and Handling of Gasoline  
Gasoline and Electric Motor Trucks in Freight  
Depots and Terminals  
Stations, Freight Depots and Warehouses  
Merchandise in Transit  
Industries on Railroad Rights of Way  
Freight Car Heaters and Refrigerator Cars  
Housing of Employees  
Incinerators  
Fire Losses in Rolling Stock  
Demonstration of so-called self supervised  
sprinkler system at Youngstown.

### Morning Session, October 19

Reports of committees assigned to the following subjects:

Hand Book  
Natural Gas and Gasoline Pipe Lines on Railroads  
Shop Plants  
Coaling Stations  
Bridges and Trestles  
Fire Alarm Signalling Systems  
Pyroxylin Lacquers and Finishes  
Hazards Surrounding the Handling, Transportation and Storage of Cotton by Railroads  
Motor Transportation  
Air Compressors  
Fuel Oil  
Storage of Records

### Afternoon Session

Reports of special committees in co-operation with other organizations  
New business  
Election of officers  
Adjournment

## Meetings & Conventions

The following list gives names of secretaries, date of next or regular meetings and places of meetings.

**AIR BRAKE ASSOCIATION.**—T. L. Burton, Room 5605, Grand Central Terminal Building, New York City.

**ALLIED RAILWAY SUPPLY ASSOCIATION.**—F. W. Venton, Crane Company, 836 S. Michigan Ave., Chicago. To meet with Air Brake Association, Car Department Officers Association, International Railroad Master Blacksmiths' Association, International Railway Fuel Association, International Railway General Foremen's Association, Master Boiler Makers Association and the Traveling Engineers' Association.

**AMERICAN ASSOCIATION OF FREIGHT TRAFFIC OFFICERS.**—W. R. Curtis, F. T. R., M. & O. R. R., Chicago, Ill.

**AMERICAN ASSOCIATION OF GENERAL BAGGAGE AGENTS.**—E. L. Duncan, 332 S. Michigan Ave., Chicago.

**AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.**—W. C. Hope, C. R. R. of N. J., 143 Liberty St., New York.

**AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.**—F. O. Whiteman, Room 800, 1017 Olive St., St. Louis, Mo. Annual meeting, June 13-15, 1933, Cleveland, Ohio.

**AMERICAN ASSOCIATION OF RAILWAY ADVERTISING AGENTS.**—E. A. Abbott, Poole Bros., Inc., 85 West Harrison St., Chicago. Next meeting, Jan. 21, 1933.

**AMERICAN ASSOCIATION OF SUPERINTENDENTS OF DINING CARS.**—F. R. Borger, C. I. & L. R. R., 836 Federal St., Chicago.

**AMERICAN ELECTRIC RAILWAY ASSOCIATION.**—Guy C. Hecker, 292 Madison Ave., New York.

**AMERICAN RAILWAY ASSOCIATION.**—H. J. Forster, 30 Vesey St., New York, N. Y.  
Division I.—Operating.—J. C. Caviston, 30 Vesey St., New York.  
Freight Station Section.—R. O. Wells, Freight Agent, Illinois Central Railroad, Chicago.  
Medical and Surgical Section.—J. C. Caviston, 30 Vesey St., New York.  
Protective Section.—J. C. Caviston, 30 Vesey St., New York.  
Safety Section.—J. C. Caviston, 30 Vesey St., New York. Annual meeting October 4-6, 1932, Hotel Washington, Washington, D. C.  
Telegraph and Telephone Section.—W. A. Fairbanks, 30 Vesey St., New York. Annual meeting, June 13-15, 1933, Hotel Stevens, Chicago, Ill.  
Division II.—Transportation.—G. W. Covert, 59 East Van Buren St., Chicago.  
Division III.—Traffic.—J. Gottschalk, 143 Liberty St., New York.  
Division IV.—Engineering.—E. H. Fritch, 59 East Van Buren St., Chicago. Annual meeting, March 14-16, 1933, Palmer House, Chicago. Exhibit by National Railway Appliances Association.  
Construction and Maintenance Section.—E. H. Fritch, 59 East Van Buren St., Chicago.

**Electrical Section.**—E. H. Fritch, 59 East Van Buren St., Chicago. Next meeting, October 27, 1932, Congress Hotel, Chicago.

**Signal Section.**—R. H. C. Balliet, 30 Vesey St., New York.

**Division V.—Mechanical.**—V. R. Hawthorne, 59 East Van Buren St., Chicago.  
Equipment Painting Section.—V. R. Hawthorne, 59 East Van Buren St., Chicago.

**Division VI.—Purchases and Stores.**—W. J. Farrell, 30 Vesey St., New York.

**Division VII.—Freight Claims.**—Lewis Pilcher, 59 East Van Buren St., Chicago.

**Division VIII.—Motor Transport.**—George M. Campbell, 30 Vesey St., New York.

**Car Service Division.**—C. A. Buch, 17th and H. Sts., N. W., Washington, D. C.

**AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.**—C. A. Lichty, C. & N. W. Ry., 319 N. Waller Ave., Chicago.

**AMERICAN RAILWAY DEVELOPMENT ASSOCIATION.**—J. A. Senter, Ind. Agt., N. C. & St. L. Ry., Nashville, Tenn. Semi-annual meeting, December 1-2, 1932, Hotel Sherman, Chicago, Ill.

**AMERICAN RAILWAY ENGINEERING ASSOCIATION.**—Works in co-operation with the American Railway Association. Division IV.—E. H. Fritch, 59 East Van Buren St., Chicago, Ill. Annual meeting, March 14-16, 1933, Palmer House, Chicago. Exhibit by National Railway Appliances Association.

**AMERICAN RAILWAY MAGAZINE EDITORS ASSOCIATION.**—Miss E. Kramer, M-K-T Employees Magazine, St. Louis, Mo.

**AMERICAN RAILWAY TOOL FOREMEN'S ASSOCIATION.**—G. G. Macina, C. M., St. P. & P. R. R., 11402 Calumet Ave., Chicago. Exhibit by Supply Association of the American Railway Tool Foremen's Association.—E. E. Caswell, Union Twist Drill Co., 11 S. Clinton St., Chicago.

**AMERICAN SHORT LINE RAILROAD ASSOCIATION.**—R. E. Schindler, Union Trust Bldg., Washington, D. C.

**AMERICAN SOCIETY OF MECHANICAL ENGINEERS.**—Calvin W. Rice, 29 W. 39th St., New York. Railroad Division, Marion B. Richardson, Railway Age, 30 Church St., New York.

**AMERICAN WOOD PRESERVERS' ASSOCIATION.**—H. L. Dawson, 1104 Chandler Building, Washington, D. C. Annual meeting, January 24-26, 1933, Hotel Sherman, Chicago, Ill.

**ASSOCIATION OF RAILWAY CLAIM AGENTS.**—H. D. Morris, District Claim Agent, Northern Pacific Ry., St. Paul, Minn. Annual meeting, June 21, 1933, Chicago.

**ASSOCIATION OF RAILWAY ELECTRICAL ENGINEERS.**—Jos. A. Andreucetti, C. & N. W., Room 411, C. & N. W. Station, Chicago. Next meeting October 27, 1932, Congress Hotel, Chicago, Ill.

**ASSOCIATION OF RAILWAY EXECUTIVES.**—Stanley J. Strong, Transportation Building, Washington, D. C.

**BRIDGE AND BUILDING SUPPLY MEN'S ASSOCIATION.**—S. A. Baber, High Grade Manufacturing Co., 10418 St. Clair Ave., Cleveland, Ohio. Meets with American Railway Bridge and Building Association.

**CANADIAN RAILWAY CLUB.**—C. R. Crook, 2276 Wilson Ave., N. D. G., Montreal, Que. Regular meetings, second Monday of each month, except June, July, and August, Windsor Hotel, Montreal, Que.

**CAR DEPARTMENT OFFICERS ASSOCIATION.**—A. S. Sternberg, M. C. B. Belt Ry. of Chicago, 7926 South Morgan Street, Chicago.

**CAR FOREMAN'S ASSOCIATION OF CHICAGO.**—G. K. Oliver, 2514 W. 55th St., Chicago. Regular meetings, second Monday of each month, except June, July, and August, Auditorium Hotel, Chicago.

**CAR FOREMEN'S ASSOCIATION OF LOS ANGELES.**—J. W. Krause, Room 299, 610 So. Main St., Los Angeles, Cal. Club not active at present time.

**CAR FOREMEN'S ASSOCIATION OF ST. LOUIS, MO.**—J. F. Brady, Main and Barton Sts., St. Louis, Mo. Operation suspended indefinitely.

**CENTRAL RAILWAY CLUB OF BUFFALO.**—M. D. Reed, 1817 Hotel Statler, McKinley Square, Buffalo, N. Y. Regular meetings, second Thursday of each month, except June, July and August, Hotel Statler, Buffalo, N. Y.

**CINCINNATI RAILWAY CLUB.**—D. R. Boyd, 2920 Utopia Place, Hyde Park, Cincinnati, Ohio. Regular meetings second Tuesday in February, May, September and November, Hotel Gibson, Cincinnati, O.

**CLEVELAND RAILWAY CLUB.**—F. L. Frericks, 14416 Alder Ave., Cleveland, Ohio. Regular meetings second Monday of each month, except June, July and August, Auditorium, Brotherhood of Railroad Trainmen's Building, West 9th St., and Superior Ave., Cleveland.

**INTERNATIONAL RAILROAD MASTER BLACKSMITHS' ASSOCIATION.**—W. J. Mayer, Michigan Central R. R., Detroit, Mich.

**INTERNATIONAL RAILWAY CONGRESS.**—January 19-30, 1933, Cairo, Egypt.

**INTERNATIONAL RAILWAY FUEL ASSOCIATION.**—T. D. Smith, 1660 Old Colony Building, Chicago.

**INTERNATIONAL RAILWAY GENERAL FOREMEN'S ASSOCIATION.**—Wm. Hall, 1061 W. Wabasha St., Winona, Minn.

**MASTER BOILER MAKERS ASSOCIATION.**—A. F. Stiglmeier, 29 Parkwood St., Albany, N. Y.

**NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS.**—James B. Walker, 270 Madison Ave., New York. Annual meeting, November 15-18, 1932, Arlington Hotel, Hot Springs, Ark.

**NATIONAL ASSOCIATION OF RAILROAD TIE PRODUCERS.**—Roy M. Edmonds, 1252 Syndicate Trust Bldg., St. Louis, Mo.

**NATIONAL RAILWAY APPLIANCES ASSOCIATION.**—C. W. Kelly, Suite 322, 910 South Michigan Ave., Chicago. Exhibit during A.R.E.A. Convention, March 13-16, 1933, Coliseum, Chicago.

**NATIONAL SAFETY COUNCIL.**—Steam Railroad Section; J. L. Walsh, (Honorary vice-chairman), Supt. Safety, M-K-T. R. R. Dallas, Tex. Annual meeting, October 4-6, 1932, Hotel Washington, Washington, D. C.

**NEW ENGLAND RAILROAD CLUB.**—W. E. Cade, Jr., 683 Atlantic Ave., Boston, Mass. Regular meetings, second Tuesday of each month, except June, July, August and September, Hotel Statler, Boston, Mass.

**NEW YORK RAILROAD CLUB.**—D. W. Pye, 30 Church St., New York. Regular meetings third Friday of each month, except June, July and August, 29 W. 39th St., New York City.

**PACIFIC RAILWAY CLUB.**—W. S. Wollner, P. O. Box 3275, San Francisco, Cal. Regular meetings second Thursday of each month, alternately in San Francisco and Oakland.

**RAILWAY ACCOUNTING OFFICERS' ASSOCIATION.**—E. R. Woodson, Transportation Building, Washington, D. C.

**RAILWAY BUSINESS ASSOCIATION.**—P. H. Middleton, (Treas. and Asst. Sec.), First National Bank Building, Chicago, Ill. Annual meeting, November, 1932, Commodore Hotel, New York, N. Y.

**RAILWAY CLUB OF PITTSBURGH.**—J. D. Conway, 1841 Oliver Building, Pittsburgh, Pa. Regular meetings, fourth Thursday of each month except June, July and August, Fort Pitt Hotel, Pittsburgh, Pa.

**RAILWAY ELECTRICAL SUPPLY MANUFACTURERS ASSOCIATION.**—Edward Wray, 9 S. Clinton St., Chicago. Meets with Association of Railway Electrical Engineers.

**RAILWAY FIRE PROTECTION ASSOCIATION.**—R. R. Hackett, Baltimore & Ohio R. R., Baltimore, Md. Annual meeting October 18-19, 1932, Hotel Cleveland, Cleveland, Ohio.

**RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.**—J. D. Conway, 1841 Oliver Bldg., Pittsburgh, Pa. Meets with Mechanical Division, Purchases and Stores Division and Motor Transport Division, American Railway Association.

**RAILWAY TELEGRAPH AND TELEPHONE APPLIANCE ASSOCIATION.**—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York. Meets with Telegraph and Telephone Section of A. R. A. Division I.

**RAILWAY TREASURY OFFICERS ASSOCIATION.**—L. W. Cox, 1428 Broad Street Station Building, Philadelphia, Pa. Annual meeting, October 21, 1932, New York City.

**ROADMASTERS' AND MAINTENANCE OF WAY ASSOCIATION.**—T. F. Donahoe, Gen. Supvr., Road, Baltimore & Ohio, Pittsburgh, Pa. Annual meeting, September 19-21, 1933, Hotel Stevens, Chicago, Ill.

**ST. LOUIS RAILWAY CLUB.**—B. W. Frauenthal, Drawer 24, M. P. O., St. Louis, Mo. Meetings temporarily suspended.

**SIGNAL APPLIANCE ASSOCIATION.**—G. A. Nelson, Waterbury Battery Company, 30 Church St., New York. Meets with A. R. A. Signal Section.

**SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.**—A. T. Miller, 4 Hunter St., S.E., Atlanta, Ga. Regular meetings, third Thursday in January, March, May, July, September and November, Ansley Hotel, Atlanta.

**SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.**—R. G. Parks, A. B. & C. R. R., Atlanta, Ga.

**SUPPLY MEN'S ASSOCIATION.**—E. H. Hancock, Treasurer, Louisville Varnish Co., Louisville, Ky. Meets with A. R. A. Division V. Equipment Painting Section.

**TORONTO RAILWAY CLUB.**—J. A. Murphy, P. O. Box 8, Terminal "A", Toronto. Regular meetings first Friday of each month, except June, July and August, Royal York Hotel, Toronto, Ont.

**TRACK SUPPLY ASSOCIATION.**—L. C. Ryan, Oxweld Railroad Service Co., Carbon & Carbide Building, Chicago. Meets with Roadmasters and Maintenance of Way Association.

**TRAVELING ENGINEERS' ASSOCIATION.**—W. O. Thompson, 1177 East 98th St., Cleveland, O.

**WESTERN RAILWAY CLUB.**—J. H. Nash, Dri-Steam Valve Sales Corp., 122 S. Michigan Ave., Chicago. Regular meetings third Monday of each month, except June, July, August and September, Hotel Sherman, Chicago.

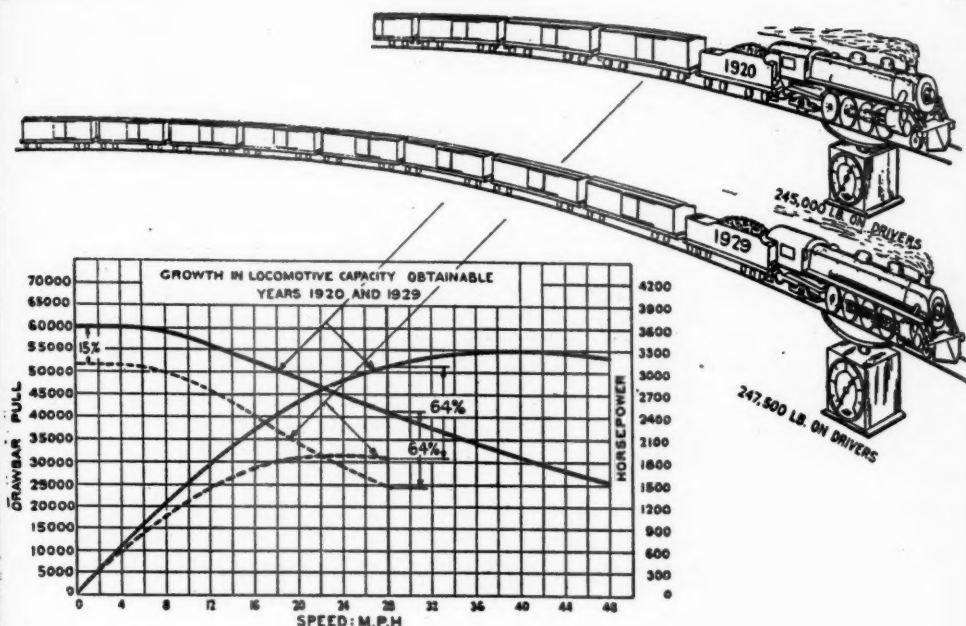
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# Lower Operating Costs

by

# MODERNIZING



**T**AKE this specific case for example. The above graph represents the actual performance of a 1920 and a 1929 locomotive on the same railroad and in the same heavy duty freight service.

The 1920 locomotive had a weight on drivers of 245,000 pounds. In its curve of performance, shown dotted, this engine developed a drawbar pull at starting of 52,000 lb. At 28 miles per hour, its best point of performance, it developed a drawbar pull of 25,000 lb. with an output of 1900 horsepower.

Now, let us look at the 1929 locomotive, whose curve is shown solid. With only about one per cent increase in weight on drivers, it develops at starting a drawbar pull of 60,000 lb. But at 28 miles per hour, the best point for the 1920 locomotive, it develops a drawbar pull of 41,000 lb. or an increase of 64%. And its power output is still going up. At 40 m.p.h., it delivers an output of 3300 horsepower, an increase of 74% over the 1920 locomotive output at 28 m.p.h. And again, at 48 m.p.h., it still has a greater drawbar pull than the 1920 engine had at its best point which was 28 m.p.h.

*And locomotive designing has advanced materially since 1929.*

What is the practical application of all this? It means something upon which, in all probability, will depend the very existence of our railroads—freight schedules in heavy service making for faster time without reducing tonnage.

Modernize—it is one sure means of securing larger profits from a smaller volume of business—it also is a sure means of giving better service to the shipper which in turn will help to hold your own business and possibly get some of the lost business back.

Modernize—for no matter what the volume of business, cost reduction is always a sound investment.

**American Locomotive Company**  
30 Church Street New York N.Y.

## Equipment and Supplies

### FREIGHT CARS

THE FERROCARRIL AL PACIFICO DE COSTA RICA is inquiring for 25 to 50 box cars of 22 tons' capacity. Eduardo Maroto, purchasing agent, San Jose, Costa Rica.

### MISCELLANEOUS

#### Wheat Movement Requires Larger Forces

The movement of wheat in Canada has resulted in an increase in the number of train crews employed in the British Columbia and Alberta districts of both the Canadian Pacific and the Canadian National. Up to the middle of September, 20,977 cars had been loaded, as compared with half that number during the same period last year. Of the total, 1,721 cars have been delivered to Vancouver.

#### Missouri Pacific Increases Forces

One hundred men have been re-employed in the car shops of the Missouri Pacific at Little Rock, Ark., Paragould and Van Buren, and in other places in Missouri and Kansas as a result of increased traffic during the last 10 days. In addition 60 men have been added to the Missouri Pacific station forces in its cotton territory in Arkansas, Louisiana and Southeast Missouri during the past two weeks. More than 200 men have been returned to work in train and engine service since August 10 through the restoration of 21 freight trains.

#### New York Central Program to Increase Shop Work

The New York Central will inaugurate on October 1, a tentative program of increased operations in its car and locomotive shops, involving the employment of about 4,000 men. This action, the announcement said, is due to improvement in business and continuance of the program will depend upon the duration of the upturn. The locomotive shops at Bucyrus, Ohio, Jackson, Mich., St. Thomas, Ont., and the passenger car shops at West Albany, N. Y., and Beech Grove, Ind., will be opened for the first time since July. Operations will be expanded in the locomotive shops at West Albany, Collinwood, Ohio, and Beech Grove, and smaller groups of men will be put to work on light car repairs at scattered points on the system among those Toledo, Ohio, and Ashtabula, Buffalo, N. Y., and Avis, Pa.

## Supply Trade

Harvey LeFevre, formerly sales manager of the H. K. Porter Company, Pittsburgh, Pa., has become associated with the Heisler Locomotive Works, Erie, Pa.

William Guy Williams and Thomas E. Brown, Jr., formerly associate engineers of Waddell & Hardesty have formed a partnership under the name of Williams & Brown, consulting engineers, specializing in the design of fixed and movable bridges, with office at 150 Broadway, New York.

### OBITUARY

S. A. Megeath, formerly president and general manager of the Galena Signal Oil Company, died on September 25, at his summer home at Bellport, Long Island, N. Y. Mr. Megeath was born 62 years ago at Baltimore, Md., and was educated at the University of Missouri. In 1897, he joined the Galena Signal Oil Company and for a number of years was its president and general manager.

### TRADE PUBLICATION

ROCK DRILLS AND SHARPENERS.—This is the title of a 32-page illustrated catalog recently published by the Ingersoll-Rand Company, New York, in which is consolidated essential information concerning this company's equipment for drilling rock and for reconditioning drill steels.

## Construction

CINCINNATI UNION TERMINAL.—The Interstate Commerce Commission has extended from July 1, 1932, to July 1, 1933, the time for the completion of this company's passenger terminal at Cincinnati, Ohio, under the certificate issued by the commission.

DENVER & RIO GRANDE WESTERN.—Following approval by the Interstate Commerce Commission of a loan to this company of \$3,850,000 from the Reconstruction Finance Corporation for the construction of the Dotsero cutoff and the acquisition of control of the Denver & Salt Lake Western, invitations for bids for the construction of this line, which will extend between Orestod, Colo., on the Denver & Salt Lake (the Moffatt Line) and Dotsero on the D. & R. G. W., 41 miles, were issued on September 20. Bids will be closed on October 15 at noon. This project will require 800,000 cu. yd. of solid rock excavation, 1,200,000 cu. yd. of loose rock excavation, 450,000 cu. yd. of common excavation, 650,000 cu. yd. of borrow and 11,000,000 station-yards of overhaul. The line will contain four concrete-lined tunnels totaling 3,400 lin. ft. Bridges and culverts will require the placing of 5,500 cu. yd. of concrete ma-

sonry, while 16,000 lin. ft. of corrugated metal culverts ranging in diameter from 30 in. to 72 in. will be installed. The project will also require the placing of 40,000 cu. yd. of riprap.

NEW YORK CENTRAL.—The Public Service Commission of New York has approved cost estimates for work to be done on this company's Syracuse Junction and First Ward branches in connection with the elimination of grade crossings in Syracuse, N. Y. Part of the work will be done by railroad company forces. The commission has closed proceedings for elimination of the Cross River Road crossing of the New York Central at Katonah station, Bedford, N. Y.

NORTHERN PACIFIC.—A contract has been awarded to Howard S. Wright & Co., Seattle, Wash., for the construction of various terminal facilities at Yakima, Wash., at a cost of about \$100,000. This project has been undertaken in connection with the removal of these facilities from Ellensburg, Wash. The work involved in the contract includes a seven-stall frame enginehouse with stalls 125 ft. deep, the concrete foundation and pit for a 115-ft. turntable, a shallow type concrete cinder pit, a depressed track pit, a sand-drying house and sand storage shed, the concrete foundation for a 48,000-gal. water tank and the concrete pit for a water column. Grading for a yard extension and the enginehouse site has been completed under contract by the Midstate Contract Company, Yakima.

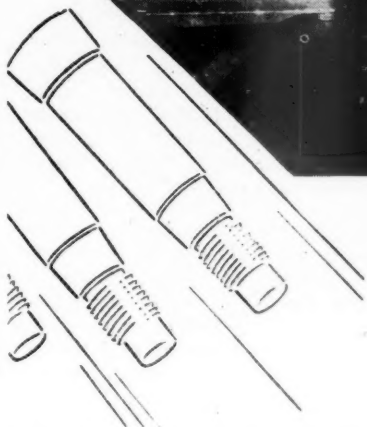
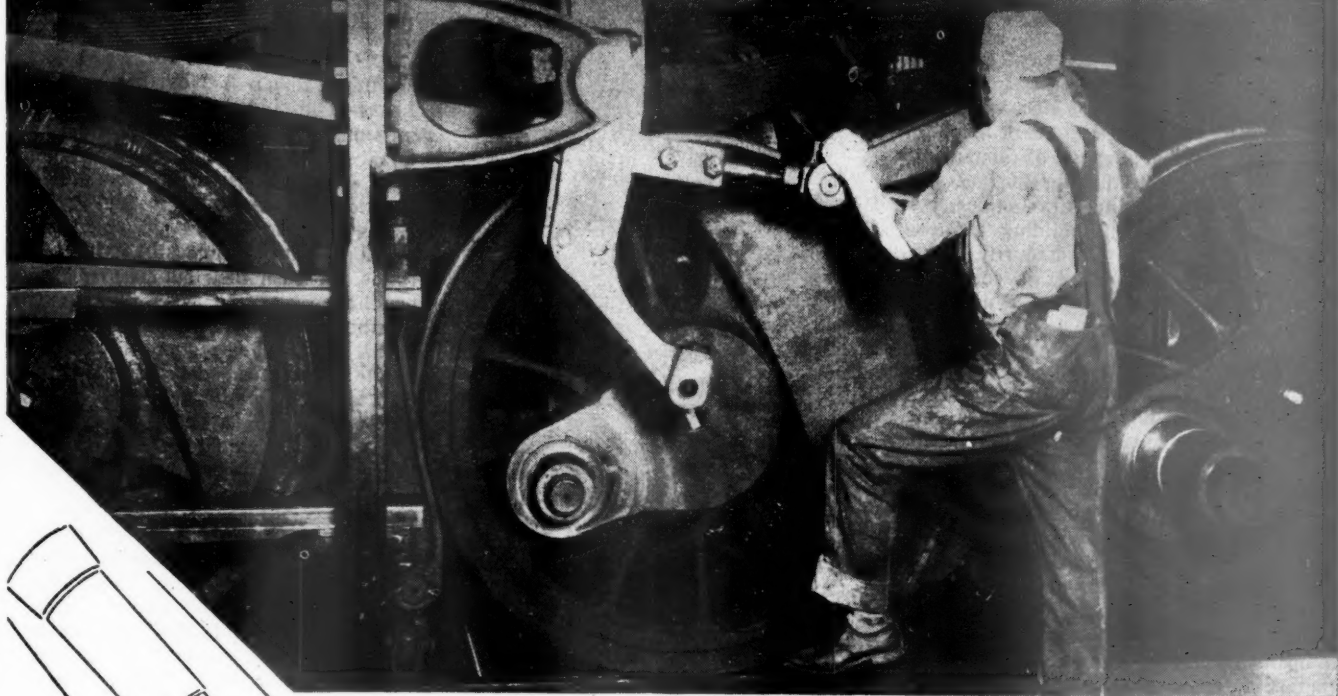
PUBLIC SERVICE COMMISSION OF NEW YORK.—The New York Public Service Commission has designated for elimination, by the construction of highway underpasses, the South Oyster Bay Road and Broadway (Massapequa Road) grade crossings of the Long Island, both located near Massapequa station, Oyster Bay, N. Y. The commission has also reopened proceedings for elimination of the Salamanca-Ellicottville County Highway and Rock City Hollow Road crossings of the Buffalo, Rochester & Pittsburgh (Baltimore & Ohio), in Great Valley, N. Y.

ST. LOUIS-SAN FRANCISCO.—A contract has been awarded to the Central Paving & Construction Co., St. Louis, Mo., for the construction of two bridges at St. Louis, one across the River des Peres and the other across the Wellington Avenue channel, at a cost of about \$250,000.

TEXAS PACIFIC-MISSOURI PACIFIC TERMINAL RAILROAD OF NEW ORLEANS.—A contract has been awarded to the Mount Vernon Bridge Company, Mount Vernon, Ohio, for the fabrication and erection of a double-track rolling lift bascule bridge, having a span of 94 ft., across the Intra-coastal canal at Harvey, La., at an estimated cost of \$73,464. This bridge, which will be used by the terminal line and the Southern Pacific and which replaces the two swing draw spans of these roads, was made necessary by the improvement of the canal by the United States government.



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## Financial

**ATCHISON, TOPEKA & SANTA FE.—Abandonment.**—This company has applied to the Interstate Commerce Commission for authority to abandon its line from Colony, Kan., to Yates Center, 24.74 miles, and the lines from Cordes to Middleton, Ariz., 10.85 miles.

**BALTIMORE & OHIO.—R. F. C. Work Loan.**—This company on September 27 filed its application to the Interstate Commerce Commission and the Reconstruction Finance Corporation for a "work loan" of \$3,000,000 for the purpose of increasing employment and stimulating business by repairing and rebuilding locomotives, repairing freight cars, and building 820 new all-steel gondola cars. As security it offered its note and its equity in collateral already pledged for previous loans from the R. F. C.

**BALTIMORE & OHIO.—R. F. C. Loan Deferred.**—The Reconstruction Finance Corporation is understood to have deferred for a time its action on this company's application for a loan of \$31,625,000 to assist it in refinancing \$63,250,000 of 20-year convertible bonds at maturity on March 1. The loan was approved by the Interstate Commerce Commission on August 19, only ten days after the application was filed, and was in addition to \$32,500,000 previously approved. The company had asked for \$6,325,000 of the amount on approval and \$25,300,000 on or about December 15, proposing to pay to the bondholders one-half of the amount by that date in cash and one-half in new bonds.

**BARTLETT WESTERN.—R. F. C. Loan Denied.**—The Interstate Commerce Commission has denied approval of this company's application for a loan of \$5,000 from the Reconstruction Finance Corporation to pay overdue taxes and maintenance expenses, stating that its financial embarrassment is due to causes other than the present financial depression which it cannot assume will be removed in the future.

**CHATTAHOOCHEE VALLEY.—Abandonment.**—The Interstate Commerce Commission has authorized this company to abandon its line from Standing Rock, Ala., to the eastern boundary of that state, 14.3 miles.

**CHICAGO & WESTERN INDIANA.—Bonds.**—This company has applied to the Interstate Commerce Commission for authority to issue \$1,700,000 of 5½ per cent bonds to be delivered to the Burlington South Chicago Terminal as consideration for the conveyance of property including yard facilities.

**COLUMBUS & GREENVILLE.—R. F. C. Loan.**—The Interstate Commerce Commission has approved a loan of \$60,000 to this company from the Reconstruction Finance Corporation to provide funds for the completion of a bridge and repairs to its line, but has deferred consideration of \$40,000 asked to pay taxes. One of the

conditions imposed is that the loan be guaranteed by A. T. Stovall, president of the company and its principal stockholder. Others are that the company shall agree to limit its general expenses and covenant not to dispose of \$100,000 of Liberty bonds held in its treasury.

**CONSOLIDATED RAILROADS OF CUBA.—Annual Report.**—The annual report of this company for the period from July 1, 1931, to June 30, 1932, shows net income after interest and other charges of \$174,687, as compared with net income of \$1,782,123 for the period from July 1, 1930, to June 30, 1931. Selected items from the Income Account follow:

	July 1, 1931 to June 30, 1932	July 1, 1930 to June 30, 1931	Increase or Decrease
RAILWAY OPERATING REVENUES ..	\$7,271,707	\$10,277,826	—\$3,006,119
TOTAL OPER- ATING EX- PENSES ...	5,307,281	7,147,568	— 1,840,287
NET REVENUE FROM OPER- ATIONS ....	1,964,425	3,130,257	— 1,165,832
Railway tax accruals ..	81,334	124,268	— 42,934
Railway oper- ating income	1,883,092	3,005,989	— 1,122,897
TOTAL OPER- ATING IN- COME .....	1,853,155	3,003,554	— 1,150,399
Non-operat- ing income.	863,565	1,394,735	— 531,170
GROSS INCOME	2,716,721	4,398,290	— 1,681,569
Interest on funded debt	2,216,146	2,439,593	— 223,447
NET INCOME.*	\$174,687	\$1,782,123	—\$1,607,436

\* Depreciation for the year has been provided at reduced rates.

**DETROIT, TOLEDO & IRONTON.—Abandonment.**—The Interstate Commerce Commission has authorized this company to abandon a branch line extending from Jeffersonville, Ohio, to Port Williams, 14.5 miles.

**ERIE.—R. F. C. Loan.**—This company has filed a supplemental application for an additional loan of \$6,800,000 from the Reconstruction Finance Corporation to pay vouchers, interest and taxes.

**FLORIDA EAST COAST.—Abandonment.**—The Interstate Commerce Commission has authorized this company and its receivers to abandon a branch extending from South Jacksonville, Fla., to Mayport, 24.1 miles.

**FONDA, JOHNSTOWN & GLOVERSVILLE.—R.F.C. Loan.**—Division 4 of the Interstate Commerce Commission, Commissioners Meyer, Eastman, McManamy, Brainerd, and Mahaffie, on September 24 approved a loan of \$170,387 to this company from the Reconstruction Finance Corporation, on an application filed July 20, to provide for the payment of interest, taxes, and notes, and to finance purchases of equipment. Commissioner Mahaffie dissented, saying that the security found adequate consists principally of the common stock of a coal distributing company (1,050 shares of the Coal Company of Fulton County) the value of which, he said, is dependent almost entirely on good will, and that additional collateral consists of the

stock of a park company which does not appear to have any appreciable earning power, and an assignment of rentals payable to the applicant by the coal company. Commissioner Brainerd joined in this expression and apparently Commissioner Aitchison, who does not ordinarily serve on Division 4, was brought in to break a tie vote.

**GAINESVILLE & NORTHWESTERN.—R. F. C. Loan.**—This company has applied to the Reconstruction Finance Corporation for a loan of \$22,000.

**GULF, MOBILE & NORTHERN.—R. F. C. Loan.**—The Interstate Commerce Commission, Division 4, has approved an additional loan of \$260,000 to this company from the Reconstruction Finance Corporation, to meet interest due October 1 on its first mortgage bonds, but declined to approve at this time \$101,750 to provide funds for cash distribution to depositing bondholders of the New Orleans Great Northern, under a reorganization plan dated July 1. The report said that the ultimate date of the consummation of the plan is too indefinite and remote to warrant approval of a loan for the purpose now and that it would not be justified until a formal application for its approval of the plan has been filed.

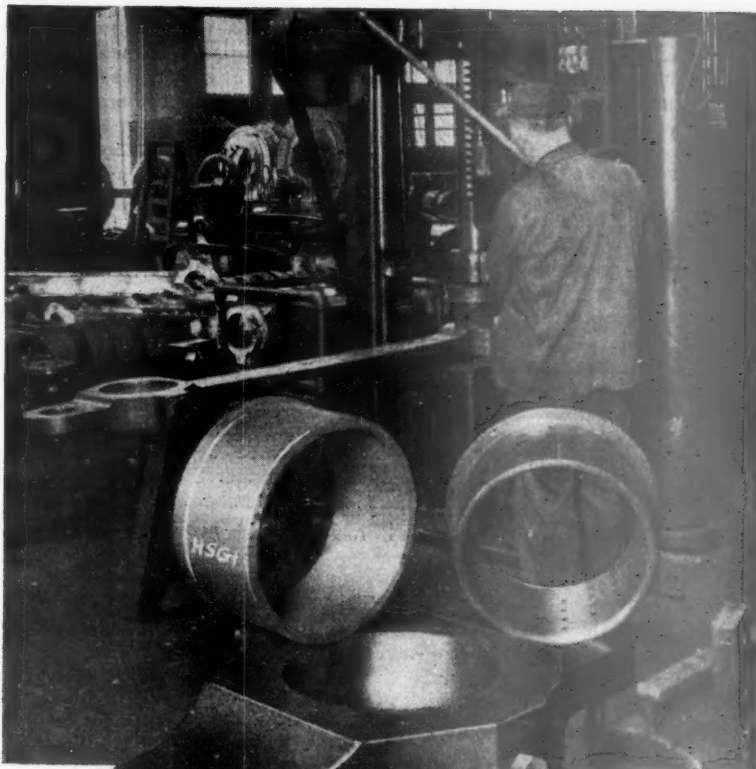
**IRONTON.—Excess Income Report.**—The Interstate Commerce Commission has issued a final report finding that this company earned \$1,160,492 excess income in the years 1920 to 1924 and an order directing it to pay one-half that amount to the general railroad contingent fund minus \$500,990 already paid on account.

**MISSOURI PACIFIC.—R. F. C. Loan.**—This company has withdrawn its application to the Reconstruction Finance Corporation dated August 10 for an additional loan of \$3,000,000 to meet September interest requirements and the application has been dismissed, because the company has obtained a loan for the purpose from the Railroad Credit Corporation.

**NEW YORK, CHICAGO & ST. LOUIS.—R. F. C. Loan Conditions Modified.**—The Interstate Commerce Commission on September 24 issued a modification of the conditions imposed in its report and certificate approving a loan of \$6,800,000 to this company from the Reconstruction Finance Corporation for the purpose of paying one-fourth of a \$20,000,000 note issue, maturing October 1, and \$1,800,000 of interest and taxes. The entire loan had been conditioned on the presentation of evidence that the holders of substantially all the notes would extend 75 per cent of the principal for three years and the company has submitted such a plan to the note-holders but has advised the commission that, owing to the shortness of time and because of the change in the plan to pay only 25 per cent of the notes instead of 50 per cent, as it had hoped, it will be impossible to obtain the consent of the noteholders prior to October 1. Therefore it represented that serious consequences would result from its failure to meet its interest obligations on that date and requested that the \$1,200,000 required



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to meet interest on mortgage bonds be relieved of the conditions, leaving only the loan of \$5,000,000 for the notes and \$600,000 for interest on them subject to them. The commission made the requested changes.

**NEW YORK, NEW HAVEN & HARTFORD.—R. F. C. Work Loan.**—This company has applied to the Interstate Commerce Commission and the Reconstruction Finance Corporation for a "work loan" of \$700,000 for the purpose of repairing in its own shops 93 freight and passenger locomotives and 160 freight cars, estimating that this will give employment to 400 men for six months.

**NORTHWESTERN PACIFIC.—Abandonment.**—In an application filed with the Interstate Commerce Commission this company has asked authority to abandon its line between Korblex, Cal., and Trinidad, 16.9 miles, and a branch of 1.33 miles.

**PENNSYLVANIA.—Abandonment.**—This company and the Pennsylvania, Ohio & Detroit have applied to the Interstate Commerce Commission for authority to abandon the line from Deffenbaugh, Ohio, to Lawton, 6 miles.

**PERE MARQUETTE.—Abandonment.**—The Interstate Commerce Commission has authorized this company to abandon a branch line extending from Port Austin, Mich., to Grindstone City, 5.2 miles; another from Mears Junction to Pentwater, 6.8 miles; and another from Otter Lake to Fostoria, 5.15 miles.

**PITTSBURGH & WEST VIRGINIA.—R. F. C. Loan.**—This company has applied for an additional loan of \$403,419 from the Reconstruction Finance Corporation for interest and payments on equipment trust certificates.

**ST. LOUIS-SAN FRANCISCO.—Receiver-ship Denied.**—Stating his belief that business conditions will get better, Federal Judge C. B. Faris, at St. Louis, Mo., on September 23, dismissed the first of two suits to throw the Frisco into receivership. The suit was filed August 27 by Charles and Dora Gans, holders of \$3,500 prior lien bonds, who were joined later by nine others holding \$88,000 of the bonds. Another receivership suit was filed by a group of stockholders on September 19 and is still pending. Judge Faris said he believed the road should have another chance and that he was not deciding the question of dismissal on legal grounds but rather on the broader question of whether receivers ought to be appointed for the road under the conditions and situation existing. "If I were convinced," he continued, "as I am not, that existing business conditions would continue indefinitely, then I should gravely consider appointing a receiver here. But I feel reasonably sure that, as business conditions can scarcely get worse, they will, of necessity, get better. Business depressions have always in the past been self-illuminated. Like certain diseases, good nursing furnishes the only remedy. I am not called on to pick out the corner behind

which prosperity is hiding, but I am of the opinion that by now the hope of better things is so far warranted that a further chance should be given this railroad." Counsel for the bondholders, he said, argued to the effect that the depression will continue indefinitely, if not forever, while counsel for the road predicted a return to prosperity. "It requires no prophet," he said, "to appreciate that unless a change for the better in business conditions shall shortly come, many, if not all the railroads, regardless of economies, will be forced into receiverships."

**SEABOARD AIR LINE.—R. F. C. Loan Denied.**—Approval of an application of the receivers for a loan of \$3,000,000 from the Reconstruction Finance Corporation was denied by Division 4 of the Interstate Commerce Commission in a report dated September 21, Commissioners Eastman and Brainerd dissenting. The commissioners voting for the report were Aitchison, McManamy, and Mahaffie. The loan had been asked to apply on the payment of claims of approximately 2,000 separate creditors against the railway company for services rendered or material furnished, which shall, when adjudicated, be found legally entitled to priority, an estimate having been given that it is probable that \$2,800,000 of the claims will be finally adjudged to be entitled to such priority. Of the amount \$1,446,921 has been approved by the court having jurisdiction over the receivership. While the applicants had emphasized that many of the creditors are shippers furnishing traffic to the railway, the commission's report said that a relatively small proportion of the approved claims is in the class which, if promptly met, would enable the claimants as shippers to continue their use of the facilities of the railway. The report, after analyzing the financial condition of the railway, said that it is clear that at present the receivers have sufficient cash to meet the more pressing claims against them and that the court has not directed the immediate payment of the claims approved. Also it said the applicants have not yet obtained from the court authority to apply for the loan or to obligate themselves in connection therewith, although the commission was advised that such authority is forthcoming. "Under the circumstances" the commissioners felt "unable to conclude that the loan applied for can be approved under the terms of the statute." The receivers had offered receivers' certificates as security. The report pointed out that as a result of operations in 1931 the applicants had failed by approximately \$800,000 to earn the interest liability and in 1932 will receive no net income to apply to payment of fixed charges. It was also stated that the receivers are engaged upon the completion of a plan "which should substantially ease their credit situation, and which, when completed, will increase their debt by \$15,038,000," and that by this plan they will be able to postpone the payment of maturing equipment trust certificates of the railway company in an aggregate amount of \$9,302,000. In addition the commission has been requested to participate in the plan by postponing the maturity of \$1,256,000 of notes of the Sea-

board-Bay Line until February 1, 1935, for which the applicants will become liable by the pledge of their certificates. This loan was made by the government under Section 210 of the transportation act and the Seaboard Air Line Company also owes the government \$14,443,887 on a similar loan plus interest since March 15, 1930.

**SOUTHERN PACIFIC.—Bonds.**—The Interstate Commerce Commission has authorized this company to issue \$5,916,000 of San Francisco Terminal first mortgage bonds in reimbursement for capital expenditures, the issue to be pledged as collateral for short-term notes.

**SOUTHERN PACIFIC.—Abandonment.**—The Interstate Commerce Commission has authorized this company and the Pacific Electric to abandon 2.2 miles of the Santa Monica Air Line between a point in Santa Monica and the end of the line at Santa Monica Canyon.

**SOUTHERN PACIFIC.—Abandonment.**—Examiner Thomas F. Sullivan of the Interstate Commerce Commission has recommended in a proposed report that the commission authorize the abandonment by the Arizona Eastern and the El Paso & Southwestern and the abandonment of operation by the Southern Pacific as lessee of branch lines aggregating 71.3 miles in Cochise county, Ariz., from Douglas to Cochise, 59.1 miles, from Kelton to Gleason, 6.4 miles, from Kelton to Courtland, 4.6 miles, and from Pearce to Commonwealth Mill, 1.2 miles.

**SOUTHERN PACIFIC.—Bonds.**—The El Paso & Southwestern has applied to the Interstate Commerce Commission for authority to issue \$4,281,000 of first and refunding mortgage 5 per cent bonds to reimburse its treasury, of which \$2,962,000 are to be sold to the Southern Pacific. The San Antonio & Aransas Pass has also applied for authority to issue \$4,056,000 of first mortgage 4 per cent bonds to be sold to the Southern Pacific.

#### Average Prices of Stocks and of Bonds

	Sept. 27	Last week	Last year
Average price of 20 representative railway stocks..	29.81	27.40	47.02
Average price of 20 representative railway bonds..	65.70	64.13	79.18

#### Dividends Declared

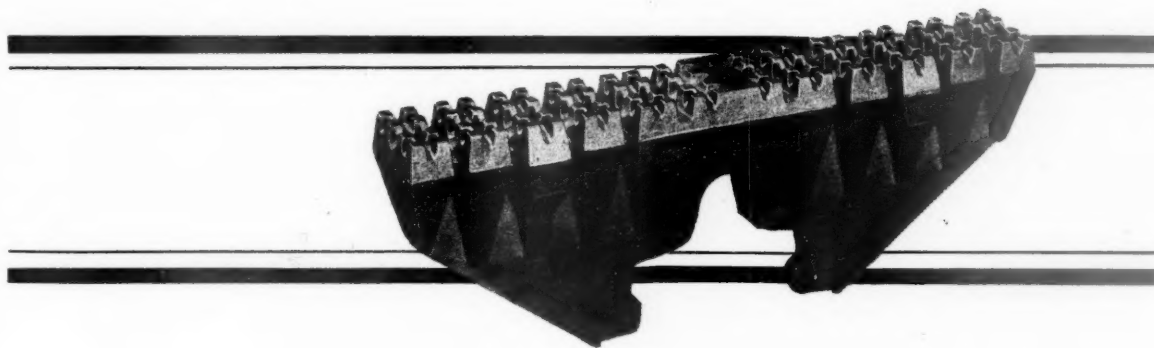
Chicago Junction Railway.—Common, \$2.25, quarterly; Preferred, \$1.50, quarterly, both payable October 1 to holders of record September 15.  
Cleveland, Cincinnati & St. Louis.—5 Per Cent Preferred, 1¼ per cent quarterly, payable October 31 to holders of record October 5.  
Kansas City Southern.—Preferred, 50c, quarterly payable October 15 to holders of record September 30.  
Norfolk & Western.—Adjustment Preferred, \$1.00, quarterly, payable November 19 to holders of record October 31.  
Philadelphia & Trenton.—\$2.50, quarterly, payable October 10 to holders of record October 1.  
Reading.—Common, 25c, quarterly, payable November 10 to holders of record October 13.

**SHARES OF THE JAPANESE-OWNED SOUTH MANCHURIAN RAILWAY in Manchuria for 1930-1931 will pay 6 per cent to private holders, a decrease of 2 per cent from last year, and Government shares will pay 2 per cent, 2.3 per cent less than last year, according to a report to the Commerce Department.**

Continued on next left-hand page



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## Railway Officers

### EXECUTIVE

**William K. Etter**, general manager of the Coast Lines of the Atchison, Topeka & Santa Fe, with headquarters at Los Angeles, Cal., who has been elected vice-president in charge of operation of the Santa Fe System, with headquarters at Chicago, to succeed **Arthur G. Wells**, deceased, has been connected with the Santa Fe continuously for 41 years, having served in the engineering and mechanical departments as well as the operating department. He was born on January 16, 1874, at Shippensburg, Pa., and entered the service of the Santa Fe in 1891, as a rodman in the engineering department, serving at various points as stenographer, timekeeper and clerk in the operating and mechanical departments until 1898. In that year he was appointed chief clerk in the office of the superintendent at Las Vegas, N. M., being transferred to Needles, Cal., in 1901. In 1902, Mr. Etter was appointed



William K. Etter

chief clerk to the general superintendent at La Junta, Colo., subsequently being transferred to Topeka, Kan., where he was appointed trainmaster in July, 1905. On January 1, 1906, he was further advanced to superintendent of the Rio Grande division and in October, 1907, he was transferred to the Oklahoma division, where he remained until September, 1916, when he was promoted to general superintendent of the Western district of the Eastern Lines, with headquarters at Newton, Kan. His next promotion came in November, 1918, when he was made assistant general manager of the same territory, with headquarters at Topeka, Kan., and in April, 1921, he was further advanced to assistant to the vice-president in charge of operation, at Chicago. He was appointed acting general manager at Topeka in April, 1922, but returned to his duties as assistant to the vice-presi-

dent at Chicago in September of that year. In February, 1932, he was sent to the Coast Lines as acting general manager, with headquarters at Los Angeles, being appointed general manager about a year later. Mr. Etter's election as vice-president at Chicago became effective on September 15.

### MECHANICAL

**P. J. Colligan**, superintendent of motive power of the Chicago, Rock Island & Pacific, with headquarters at Kansas City, Mo., has been promoted to general superintendent of motive power of the system, with headquarters at Chicago, succeeding **Louis A. Richardson**, who died on July 26, as noted in the *Railway Age* of July 30. **L. D. Richards**, master mechanic, with headquarters at Shawnee, Okla., has been promoted to superintendent of motive power at Kansas City to succeed Mr. Colligan. **A. Hambleton**, general foreman in the locomotive department at Shawnee, has been promoted to master mechanic, with headquarters at Armourdale, Kan., succeeding **A. R. Ruiter**, who has been transferred to Shawnee to replace Mr. Richards. **C. L. Sharp**, master mechanic at Little Rock, Ark., has been transferred to Dalhart, Tex., to replace **B. H. Smith**, who in turn has been transferred to Little Rock.

Mr. Colligan's service with the Rock Island dates back 46 years. He was born on January 24, 1868, at Rock Island, Ill., and entered railway service in 1886, as a call boy on the Rock Island. He soon entered the mechanical department as a machinist apprentice, being appointed a machinist in 1892. Eight years later Mr. Colligan was promoted to enginehouse foreman, and in 1906 he was appointed a general foreman. He



P. J. Colligan

served at intervals as a master mechanic, and in 1923 he was promoted to superintendent of motive power of the Second district, with headquarters at El Reno, Okla. In 1925, Mr. Colligan was appointed superintendent of the shops at Silvis, Ill., which position he held until July, 1932, when he was promoted to system superintendent of motive power, with headquarters at Kansas City.

### OBITUARY

**A. H. Eager**, general superintendent of motive power and car equipment of the Canadian National, Western region, died at his home in Winnipeg, Man., on September 25, at the age of 64.

**L. H. Hall**, attorney for the New York division of the Baltimore & Ohio, with headquarters at New York, died at his home in Mount Vernon, N. Y., on September 17. He was 56 years of age.

**F. E. Hatch**, superintendent of the Memphis division of the Illinois Central, with headquarters at Memphis, Tenn., who has been on a leave of absence since February 1, 1932, because of illness, died at Memphis on September 25.

**Thomas Turnbull**, who retired early this year as engineer maintenance of way of the Western region of the Canadian National, with headquarters at Winnipeg, Man., died suddenly on September 14, of heart failure at his home in Winnipeg.

**L. F. Muncey**, superintendent of transportation on the Canadian National, with headquarters at Vancouver, B. C., died of heart failure on September 17, at Kamloops, B. C. Mr. Muncey, who was 58 years of age, commenced his railway career in 1891 with the Intercolonial (now part of the C. N. R.), going with the Canadian Northern (now also part of the C. N. R.), as a relief agent at Winnipeg, Man., two years later. Later Mr. Muncey served as traveling auditor and general chairman of the Order of Railway Telegraphers. In 1919, he was appointed superintendent on the C. N. R. at Kamloops, B. C., and in 1925 he was made superintendent of transportation at Vancouver, which position he was holding at the time of his death.

**John F. Lehane**, vice-president of the St. Louis Southwestern of Texas, with headquarters at Fort Worth, Tex., who died on September 14, as noted in the *Railway Age* of September 24, was born on August 15, 1858, in Ireland. He came to this country as a young man and entered railway service in January, 1883, as a clerk on the Gulf, Colorado & Santa Fe two years later he went with the Texas & Pacific in a similar capacity. During the following eight years Mr. Lehane served in various capacities with a number of southwestern railroads, including the Ft. Worth & New Orleans (now part of the Southern Pacific), the Ft. Worth & Denver City, the International-Great Northern and the Missouri-Kansas-Texas. In 1893, he entered the service of the St. Louis Southwestern of Texas as agent at Corsicana, Tex., and four years later he was appointed commercial agent and local agent at Ft. Worth. Mr. Lehane was advanced to general passenger agent at Tyler, Tex., in 1900, and in the following year he was made general freight agent, being appointed general freight and passenger agent in 1907. In 1920 he was elected vice-president in charge of traffic and in 1930 his title was changed to vice-president.